

**DEFENSE LOGISTICS AGENCY**

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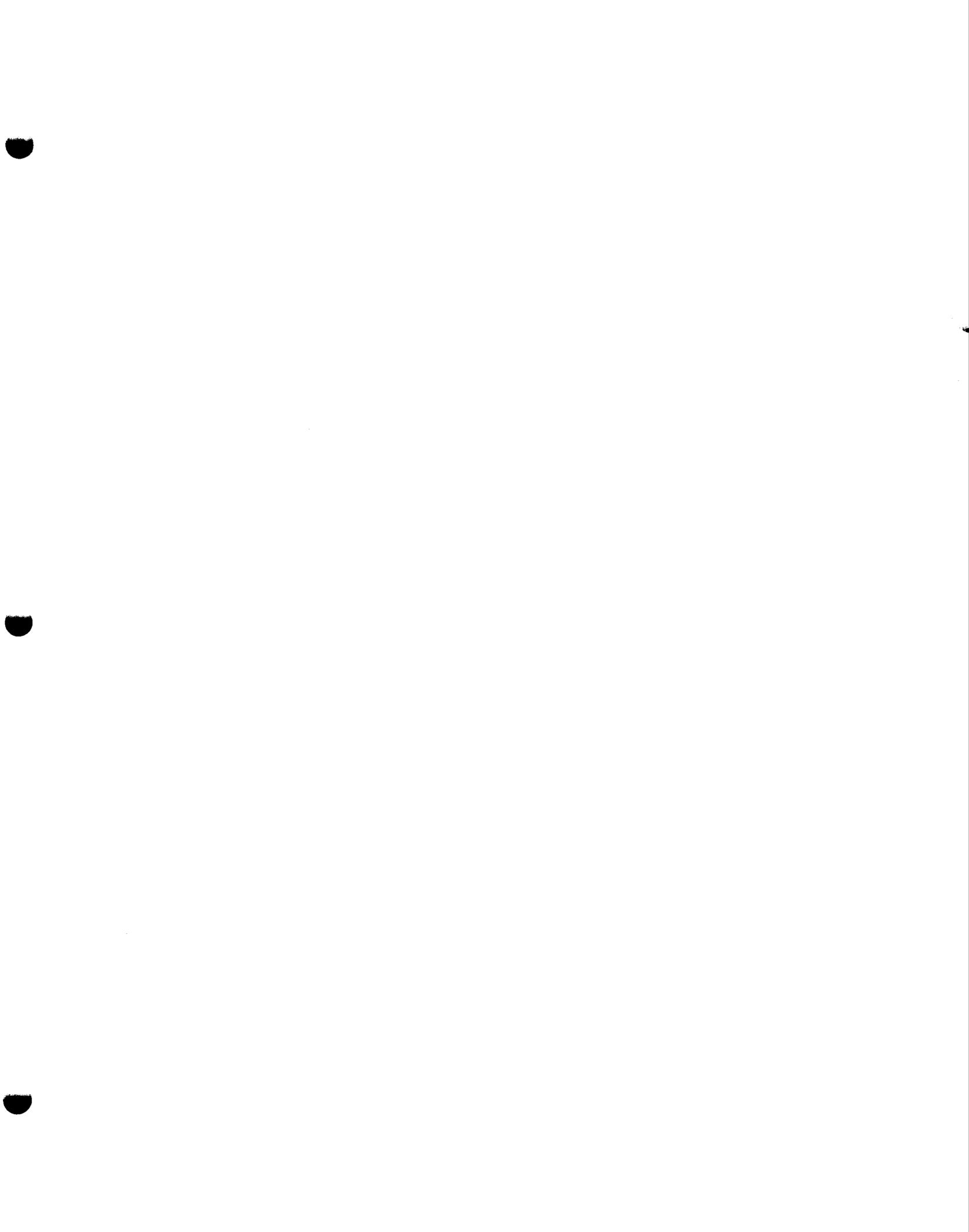
**Defense Contract Management Command International,  
Dayton, OH**

**I**

**Defense Contract Management District South, Marietta, GA**

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**Defense Contract Management District West, El Segundo, CA**



# DRAFT

## DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION Base Summary Sheet

### Defense Contract Management Command International (DCMCI) Dayton, Ohio

#### INSTALLATION MISSION

Provide command and control, including operational and management control and oversight, for 13 overseas Defense Contract Management Area Operations (DCMAO) offices located outside the continental United States.

#### RECOMMENDATION: Realign Defense Contract Management Command International

- Realign DCMCI (Gentile AFS), Dayton, Ohio and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

#### JUSTIFICATION

- The DCMCI mission could be performed from any locality.
- Military judgment concluded that merging the mission with DCMC HQ affords the opportunity to capitalize on operational and management oversight and to maximize use of shared overhead with DCMC.
- It also affords the opportunity to take advantage of the close proximity to the State Department and the international support infrastructure in Washington, D.C. and surrounding areas.

#### ITEMS OF SPECIAL EMPHASIS

- Validation of costs associated with recommended action.

#### COST CONSIDERATIONS

- One-Time Cost: \$ 3.1 million
- Net Costs and Savings During Implementation: \$ 8.7 million
- Annual Recurring Savings: \$ 3.1 million
- Break-Even Year: 1999 (1 years)
- Net Present Value Over 20 Years: \$ 38.7 million

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## MANPOWER IMPLICATIONS

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
<b>Baseline</b>			
Reductions	5	28	-
Realignments	11	41	-
Total	16	69	-

## ENVIRONMENTAL CONSIDERATIONS

- Environmental considerations do not prohibit the recommendation from being implemented.

## REPRESENTATION

Senators: John Glenn  
Mike DeWine  
Representative: Tony P. Hall (Dayton) - John Kasich (Columbus)  
Governor: George V. Voinovich

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**SIGNIFICANT ISSUES**

**MILITARY ISSUES**

- Relocation of current mission.

**ECONOMIC IMPACT**

Since this action affects unexecuted relocations resulting from prior BRAC recommendations, it causes no net change in employment in the Columbus, Ohio metropolitan statistical area. However, the anticipated employment increase of less than 0.1 percent in the employment base in this area will not occur.

- Potential Employment Loss: - jobs (-direct and -indirect)
- [City] MSA Job Base: -jobs
- Percentage: - percent decrease
- Cumulative Economic Impact (year-year): - percent decrease

**COMMUNITY CONCERNS/ISSUES**

- 

Marilyn Wasleski/Interagency Issues Team/03/11/95 1:26 PM

# ECONOMIC IMPACT DATABASE

Installation: **DEFENSE CONTRACT MANAGEMENT COMMAND INTERN**

State: **Ohio**

Service: **DLA**

Report Note:

Comment:

Previous BRAC Actions: Year: **N/A**

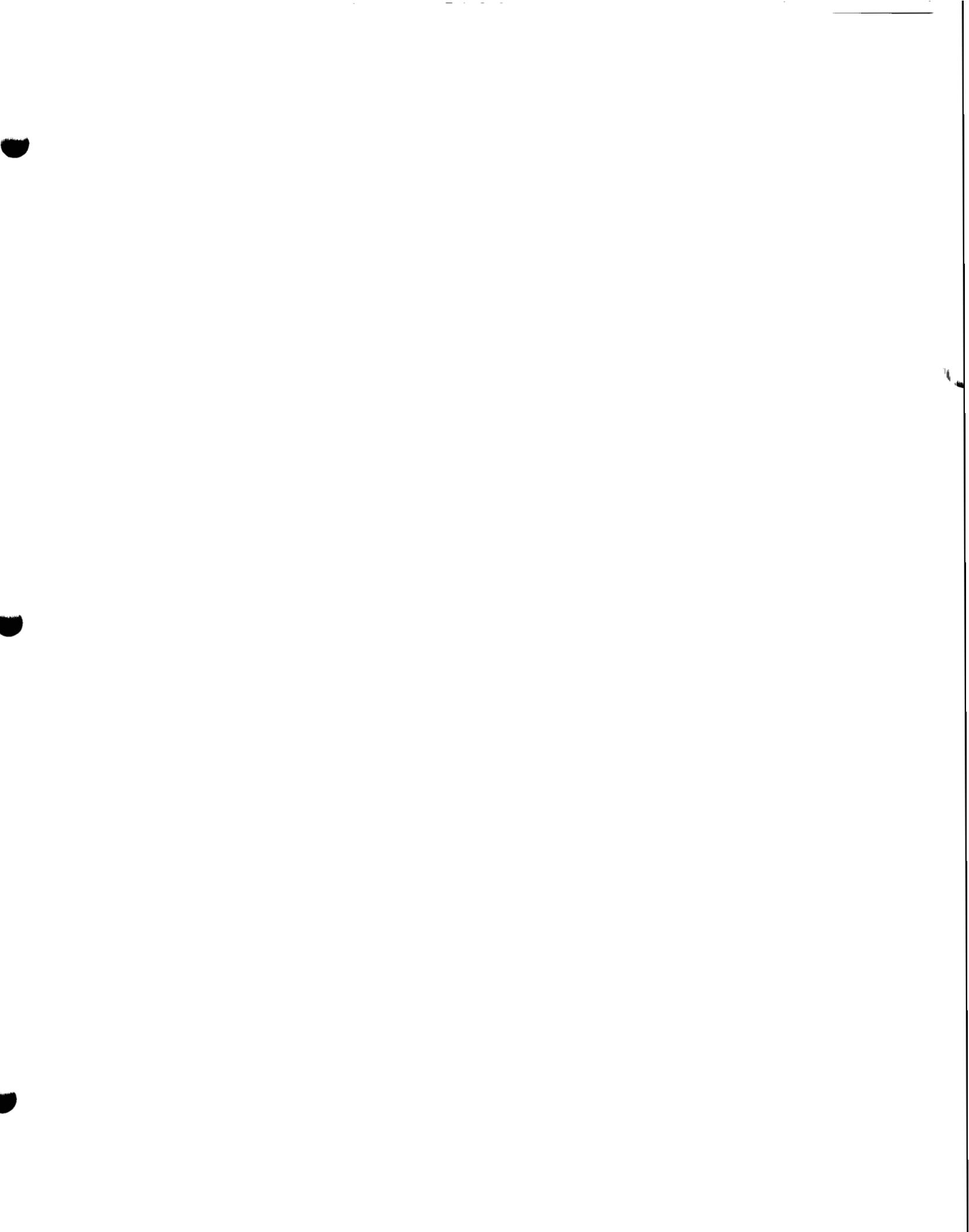
Action: **UNAFFECTED** Mil:  Civ:  Contr:  Train:

**BRAC95 Inputs:**

Current Base Pers.: ff:  Enl:  Civ:  Contr:  Train:

Action:

	1994	1995	1996	1997	1998	1999	2000	2001
Military Pers. Relocated (OUT)	0	0	0	0	0	0	0	0
Military Pers. Disestablished (OUT)	0	0	0	0	0	0	0	0
Civilian Pers. Relocated (OUT)	0	0	0	0	0	0	0	0
Civilian Pers. Disestablished (OUT)	0	0	0	0	0	0	0	0
Contractor Personnel (OUT)	0	0	0	0	0	0	0	0
Military Training Status (OUT)	0	0	0	0	0	0	0	0
Military Personnel (IN)	0	0	0	0	0	0	0	0
Civilian Personnel (IN)	0	0	0	0	0	0	0	0
Contractor Personnel (IN)	0	0	0	0	0	0	0	0
Military Training Status (IN)	0	0	0	0	0	0	0	0



# DRAFT

## DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

### SUMMARY SHEET

#### DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH (DCMDS), GA

#### INSTALLATION MISSION

Provide command and control, operational support and management oversight for 90 Defense Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located throughout the continental United States.

#### **DOD RECOMMENDATION:** Disestablish Defense Contract Management District South

- Relocate its missions to the Defense Contract Management District Northeast and Defense Contract Management District West.

#### **DOD JUSTIFICATION**

- Due to the impact of DOD Force Structure drawdown, budget cuts, and the resulting decline in acquisition workload, a number of Defense Contract Management Area Service (DCMASs) and DPROs have been disestablished thereby reducing the span of control responsibility at the Defense Contract Management Districts.
- As the drawdown continues, the number of DCMAOs/DPROs is expected to decline even further.
- The closure of a district and realignment of assigned DCMAOs and DPROs to the remaining two districts is feasible with only a moderate risk.
- Although, the difference between second and third place was not sufficiently broad to dictate a clear decision by itself, DCMD South received the lowest Military Value score.
- Military judgment determined that a single DCMD presence on each coast is necessary. A west coast DCMD is required because of the high dollar value of contracts and the significant weapon-systems related workload located on the West Coast.
- There is a higher concentration of workload in the Northeast, in terms of span of control, field personnel provided support services, numbers of contracts, and value of contract dollars obligated than in the South. In addition, DCMD Northeast supports its DCMAOs and DPROs with a lower ratio of headquarters to field personnel than DCMD South.

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**COST CONSIDERATIONS DEVELOPED BY DOD**

- One-Time Cost: \$ 3.8 million
- Net Savings During Implementation: \$ 7.9 million
- Annual Recurring Savings: \$ 6.1 million
- Break-Even Year: 1999 (1 year)
- Net Present Value Over 20 Years: \$ 75.8 million

**MANPOWER IMPLICATIONS OF THIS ACTION (EXCLUDES CONTRACTORS)**

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
<b>Baseline</b>			
Reductions	2	101	-
Realignments	3	40	-
Total	5	141	-

**MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)**

Out		In		Net Gain (Loss)	
<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
5	164	0	0	(5)	(164)*

\*This figure includes 23 contractor employees.

**ENVIRONMENTAL CONSIDERATIONS**

- Environmental considerations do not prohibit the recommendation from being implemented.

**REPRESENTATION**

Senators: Sam Nunn  
Paul Coverdell  
Representative: Bob Barr  
Governor: Zell Miller

## DRAFT

### ECONOMIC IMPACT

- Potential Employment Loss: 275 jobs (169 direct and 106 indirect)
- Atlanta, GA MSA Job Base: 1,923,937 jobs
- Percentage: 0.0 percent decrease
- Cumulative Economic Impact (1994-2001): 0.0 percent decrease

### MILITARY ISSUES

- Relocation of current mission.
- Response time for surge requirements.

### COMMUNITY CONCERNS/ISSUES

- Job loss.

### ITEMS OF SPECIAL EMPHASIS

- Validation of costs associated with recommended action.
- Response time for surge requirements.

Marilyn Wasleski/Interagency Issues Team/04/12/95 10:36 AM

# DRAFT

## DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

### SUMMARY SHEET

#### DEFENSE CONTRACT MANAGEMENT DISTRICT WEST (DCMDW) EL SEGUNDO

#### INSTALLATION MISSION

Provide command and control, operational support and management oversight for Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located in the continental United States.

#### **DOD RECOMMENDATION:** Redirect from BRAC 1993 Commission Recommendation

- This is a redirection of the following BRAC 93 Commission recommendation: "Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval Shipyard Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, CA, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and the Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

#### DOD JUSTIFICATION

- DCMD West is currently located in GSA-leased administrative space in El Segundo, CA. The President's Five-Point Revitalization Plan has significantly impacted the Navy's ability to consummate a land exchange at Long Beach with the Port Authority/City of Long Beach. The Long Beach Naval Shipyard has been placed on the BRAC 95 list for closure.

#### COST CONSIDERATIONS DEVELOPED BY DOD

- |                                      |                  |
|--------------------------------------|------------------|
| • One-Time Cost:                     | \$ 10.3 million  |
| • Net Savings During Implementation: | \$ 10.9 million  |
| • Annual Recurring Savings:          | \$ 4.2 million   |
| • Break-Even Year:                   | 1999 (immediate) |
| • Net Present Value Over 20 Years:   | \$ 51.2 million  |

## DRAFT

### MANPOWER IMPLICATIONS OF THIS ACTION (EXCLUDES CONTRACTORS)

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
<b>Baseline</b>			
Reductions	0	0	-
Realignments	15	238	-
Total	15	238	-

### MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)

Out		In		Net Gain (Loss)	
<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
0	0	2	20	2	20

### ENVIRONMENTAL CONSIDERATIONS

- Environmental consideration do not prohibit this recommendation from being implemented.

### REPRESENTATION

Senators: Barbara Boxer  
Diane Feinstein  
Representative: Jane Harman  
Governor: Pete Wilson

### ECONOMIC IMPACT

The relocation of DCMDW to Long Beach will have no impact on the jobs within the region since all personnel will be relocated to the new site.

- Potential Employment Loss: 0 jobs (0 direct and 0 indirect)
- Los Angeles-Long Beach MSA Job Base: 4,989,503 jobs
- Percentage: 0 percent decrease
- Cumulative Economic Impact (1994-2001): 0 percent decrease

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**MILITARY ISSUES**

- Relocation of current mission.

**COMMUNITY CONCERNS/ISSUES**

- There are no significant community concerns/issues involved with this realignment.

**ITEMS OF SPECIAL EMPHASIS**

- Validation of costs associated with recommended action.

Marilyn Wasleski/Interagency Issues Team/04/12/95 10:35 AM

## BASE VISIT REPORT

### DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH (DCMDS) Marietta, GA

22 MAY 1995

#### LEAD COMMISSIONER:

None.

#### ACCOMPANYING COMMISSIONER:

None.

#### LIST OF ATTENDEES:

Col. Lloyd T. Watts, Jr., Commander  
Michael F. Vezeau, Deputy Commander  
Doris Sciara, DCMDS  
Mary Whitlock, DCMDS  
Chester Orndorff, DCMDS  
Buddy Guidi, DCMDS  
CDR Lee Bandlow, DCMDS  
Eve Williams, DCMDS  
Phyllis Patrick, DCMDS  
Malcolm Dean, DCMDS  
Robert Murphy, DCMDS  
J.R. Tarr, DCMDS  
James L. Bauer, DCMDS  
Edward L. Corley, DCMDS  
Roy Robinson, Senator Nunn Staff Representative  
Craig Satterlee, Cobb County Habitat for Humanity  
Brain Noyes, Senator Coverdell Staff Representative  
John Watson, Congressman Barr Staff Representative  
Fred Aiken, Congressman Gingrich Representative  
Don Beaver, Cobb County Director of Economic Development,  
Governor's Military Advisory Council  
Susan Naum, American Red Cross  
Connie Kirk, Tommy Nobis Center  
Jeff McClellan, Tommy Nobis Center

### **BASE'S PRESENT MISSION:**

The Defense Contract Management District South (DCMDS) provides command and control, operational support, and management oversight for Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located in the continental United States.

### **SECRETARY OF DEFENSE RECOMMENDATION:**

Disestablish Defense Contract Management District South

- Relocate its missions to the Defense Contract Management District Northeast and Defense Contract Management District West.

### **DOD JUSTIFICATION:**

- Due to the impact of DoD Force Structure drawdown, budget cuts, and the resulting decline in acquisition workload, a number of Defense Contract Management Area Service (DCMASs) and DPROs have been disestablished thereby reducing the span of control responsibility at the Defense Contract Management Districts.
- As the drawdown continues, the number of DCMAOs/DPROs is expected to decline even further.
- The closure of a district and realignment of assigned DCMAOs and DPROs to the remaining two districts is feasible with only a moderate risk.
- Although, the difference between second and third place was not sufficiently broad to dictate a clear decision by itself, DCMD South received the lowest Military Value score.
- Military judgment determined that a single DCMD presence on each coast is necessary. A west coast DCMD is required because of the high dollar value of contracts and the significant weapon-systems related workload located on the West Coast.
- There is a higher concentration of workload in the Northeast, in terms of span of control, field personnel provided support services, numbers of contracts, and value of contract dollars obligated than in the South. In addition, DCMD Northeast supports its DCMAOs and DPROs with a lower ratio of headquarters to field personnel than DCMD South.

## **MAIN FACILITIES REVIEWED:**

The visit began with a Command Briefing on the Defense Contract Management District South. This briefing covered the District's mission, operations, capabilities, and personnel. This briefing was followed by a Community Presentation. This visit concluded with a walking tour of the office space.

## **KEY ISSUES IDENTIFIED:**

- DCMDS currently has about 237 civilians on board. Forty civilians are scheduled to be realigned and 101 eliminated. Fifty-four are scheduled to be eliminated because of force structure reductions. The remaining 42 will remain. However, because the area of competition includes some of the of the DCMAOs and DPROs, over 500 people will be affected by the RIF because of bumping rights.
- DCMDS currently handles 134,420 contracts involving 3,369 contractors. The contracts value \$235.5 billion.
- DCMDS has control over 7 DCMAOs and 19 DPROs.
- DCMDW would pick up 10 of these activities (2 DCMAOs and 8 DPROs). DCMDN would pick up 16 activities ( 5 DCMAOs and 11 DPROs).
- DCMDSs largest DCMAOs are collocated with the DCMDS. Under the BRAC95 recommendation, the DCMAO would remain at the location.
- The office is located on Dobbins Air Force Base and does not pay lease costs. DCMDS is only responsible for the maintenance and upkeep of the building.
- Lockheed, a tenant at the Air Force Base, would like to have the space that would be vacated by DCMDS if the 1995 DoD recommendation is approved.
- Officials pointed out that a number of contractors are moving plant facilities to the south. For example, Grumman recently moved its aircraft production work from Long Island, New York to St. Augustine, Florida. As a result, DCMDSs workload reduction has been slightly less than the other District Offices.

## **COMMUNITY CONCERNS RAISED:**

- The Community feels because of the recent trend of industries moving plants to the south, DLA should keep three DCMDS with smaller, leaner staffs. This will result in an improved military value to the customer. This is partly based on the trend of defense contractors to move operations to the south.
- Because of the continued Defense presence in the South, the cost to travel to the DCMAOs and DPROs will increase dramatically from DCMDN-Boston. The Community questions whether this cost was picked up in the COBRA. The Community stated that DCMDSs travel expenses had increased when the Baltimore DCMAO and DPRO fell under the command of DCMDS from the 1993 decision to close the Mid-Atlantic Region. DLA stated that there

will be no significant impact on travel costs. Since many area and plant representative offices will be closed, any changes in travel costs will be negligible.

- The Community states that it is cheaper to maintain an office in Atlanta because locality pay is lower. In addition, the Community states that there is a strong labor pool to choose from in Atlanta.
- The Community is concerned that the Defense Finance and Accounting Service (DFAS) will not be able to merge all of the data base files into two data bases. (DFAS is the contractor paying function.) After the 1993 decision, problems arose when DCMDN consolidated the workload from DCMD-Mid-Atlantic. The Community stated that the Director of DFAS in Columbus, Ohio has indicated, off the record, that there is no way the current hardware can handle two districts. For more information, the Community said to contact Mr. Steve Frisch of DFAS at (617) 693-4589.
- Another computer capability problem indicated by the Community is with the merger of AMIS--the Air Force's Automation Management Information System and MOCAS--the Mechanization of Contract Administrative Systems, which is still on-going. The Community stated that problems are occurring now and do not see the situation improving with only two offices. Because the Defense Finance and Accounting Office uses the same data base, the Community feels problems will get worse. Problems, such as, late payments, exorbitant interest fees due to late payments, and degradation of services to the contractor have already occurred. The Community asserts that an expert in MOCAS has stated, off the record, that further mergers are currently unmanageable until the MOCAS redesign is completed which will take 2 to 3 years. For more information, the Community said to contact Ms. Ethel Berg at (703) 274-7014 and Mr. Dennis Cherney at (614) 692- 9205.
- DCMDS contracts with the Tommy Nobis Center for mail and janitorial support. Tommy Nobis Center is a private, nonprofit organization that provides vocational and employment services to persons with unique vocational needs. DCMDS is the center's largest employment contract. DCMD South employees 25 people--17 with disabilities and 8 counselors. These employees represent 76% of the people employed by Tommy Nobis and if DCMDS closes, these people, who are hard to place, would be put out of work. The Tommy Nobis Center employees paid \$108,000 in taxes and saved \$146,000 in public assistance costs. A representative of the Tommy Nobis Center spoke about the program and its benefits and said that if cost cutting is the goal, the government will not be saving money by closing DCMDS.
- The Community questions how DCMDS went from being ranked 2 out of 5 offices in 1993 to 3 out of 3.
- The Community feels that DCMDS is being penalized for being efficient--they have continued to downsize--and are the contract management office with the lowest number of employees. In addition, they feel that their efforts to become efficient and implement new ideas have also been ignored. For example, they have taken the lead in implementing multifunctional teams.
- The Community contends that the fate of DCMDS was sealed after BRAC 93 when DLA split the workload of DCMD-Mid-Atlantic. Most of Mid-Atlantic's workload went to DCMDN-Boston. The Community stated the DCMDS had proposed to realigning the workload more equitably, but that proposal was ignored by DLA.

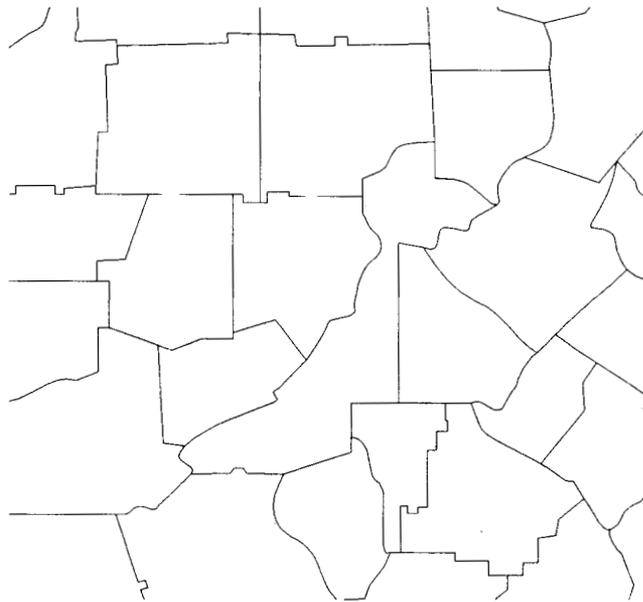
**REQUESTS FOR STAFF AS A RESULT OF VISIT:**

- Explore Community contentions, specifically, the concerns brought up about the automated systems.

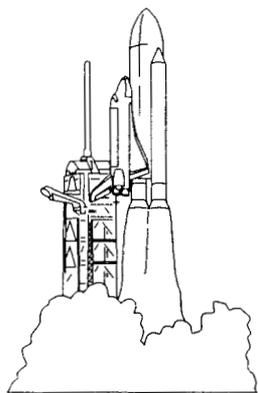
Marilyn Wasleski/Interagency Issues Team/05/23/95

**BRAC 95 -  
THE PROPOSED CLOSING OF  
HQ DCMDS**

**A COMMUNITY PERSPECTIVE**



# OPENING



Doris to give opening remarks:

ò Who we are

ò What we do

ò History of our drawdown to present

## INTRODUCTION

I want to begin by stating that I am here as a member of the community, and employee from DCMD South. As a member of the community, I am entitled to honors, as an employee of District South, I am not. I want to thank everyone but several people have indicated that they cannot stay very long due to commitments. As such, we will try to make this forum as short as possible.

Our emphasis today is simple: 227 people are in jeopardy of losing their jobs seems to care. The headlines from the Georgia newspapers when the base closing first announced on 28 Feb shouted NO GEORGIA BASE CLOSINGS. When we called the newspapers to mention that District South was in fact on the list wanted to address our plight. Several employees in this building sent letters to congressmen in Georgia; again, no one seemed to care. Not a single employee contacted by phone to receive further information; instead only routine forms received. Another indication that no one seems to care, is the fact that they were not informed of the regional base closing hearings for the states of Georgia until a few days prior to the hearing. On Friday, 31 Mar 95, employees were at their all hands meeting that the regional Defense Base Closure and Realignment hearing would be held in Birmingham, AL on Tuesday, 4 Apr. 95. At that time was too late for anyone to attend due to prior travel commitments. DCMDC "seems to neglect" to keep us informed of the official hearing. Other base closures provide necessary information of their hearing at least 3 weeks ahead of time. AGA SEEMS TO CARE ABOUT US. And finally, 2 weeks ago, I sent letters to the editor of several newspapers inviting them to this forum today. I thought for sure I would get at least one phone call, especially in view of the fact that the Naval Air Station had an add on last week - but I did NOT get a single phone call. NO ONE CARES ABOUT US AND THATS THE WAY IT IS!

Our agenda for today is simple: We will show that this district should remain rather than go down to two districts, one at Boston, and one at Los Angeles, and make sense to keep a district in Atlanta. We are lean and mean; and we challenge other districts to become lean and mean also. We will show that the criteria used to determine the military value given to us by DCMDC is biased, and we will show that the military does have a positive impact on the local community. We will also show that there is business sense for this district to remain in Atlanta.

## ACCESSIBILITY

We will begin by introducing ourselves as SOUTHERNERS. That is not to say we were born or raised here; just that we work here. But we believe that it makes sense that an agency the size of DCMC that has approximately 15000 employees should maintain a district presence in the south. This is where ITS AT: in place of civil rights, it is an international city, it is the host city for Olympics, and it is the place where contractors are moving to from the north. GOOD BUSINESS SENSE TO KEEP US HERE.

@ Transportation. Atlanta airport is one of the top 3 airports in the area. At times, it is even #1 in traffic. It serves as a hub for Delta and Trans World. Recent construction of a new international concourse makes it easier to travel in and around Atlanta. As such, more and more contractors are moving into the area.

@ Climate. The climate in the south is a major draw for new contractors. Spring and fall are temperate; summers are warm and winters are generally mild. As a result, 15 of the top 20 US aerospace and defense contractor headquarters are in Georgia as do 5 foreign aerospace firms.

@ Colleges and Universities. There are 30 colleges and seven junior colleges in the metro Atlanta area, including the internationally recognized institutions: Georgia Institute of Technology, Clark Atlanta University (which includes Morehouse College, Morehouse Medical School, Spelman College, Clark College and Interdenominational Theological Center), Georgia State University, Southern Polytechnic State University and Kennesaw State University. The availability of college graduates offers an excellent source of high quality candidates for contractors.

@ Birth Place of Civil Rights. As history has shown, Atlanta is the birthplace of civil rights. This district has maintained the following 100% diversity:

- 100% in employment of black males
- 100% in employment of black females
- 100% in employment of American Indian Males
- 100% in employment of American Indian Females

Over 70% of the nation's 102 historical and predominantly black colleges and universities are located in the Southern District. If we are to continue in our pursuit of business, it would be good business sense to maintain a district presence in Atlanta. AND TO GIVE US SOME MORE INSIGHT INTO THIS AREA. IS PROFESSOR JEAN BROWN OF SPELMAN COLLEGE.

@ Medical Facilities. There are excellent medical facilities through Atlanta area, including Emory University which is a leader in health care r this county alone, there are 4 hospitals, 3 mental health facilities, 5 publ 9 nursing homes and a number of privately operated neighborhood healthcare addition, the Centers for Disease Control is headquartered in the metro Atla

@ Housing. And finally, housing. Many contractors are moving into A because of affordable housing. The average cost of a home in the Atlanta ar with prices ranging from \$60,000 to \$500,000 plus.

AND TO GIVE US SOME ADDITIONAL INFORMATION ON THE HOUSING MAR-  
KET IS MR. Rick Arzet OF Coldwell Bankers REAL ESTATE COMPANY.

## COMMUNITY INVOLVEMENT

We would like to thank the local community for their interest, and give you examples of our community involvement.

@ Tommy Nobis Rehabilitation Center Services. We currently hire some people from the Tommy Nobis Rehabilitation Center Services. These people have physical or mental disabilities that inhibit their chances of employment through hiring practices. This agency has continued to hire these personnel and provide essential employment. AND HERE TO TELL YOU MORE ABOUT THE TOMMY NOBIS CENTER AND OUR INVOLVEMENT AS A DISTRICT IS \_\_\_\_\_.

@ American Red Cross. We have an on-going schedule with the American Red Cross to conduct blood drives on site, usually 4-5 times a year. We give many blood products to the community. We have been ranked #1 in DCMC with 133 donors and 19 pheresis donors. Pheresis donors are donors that donate large quantities in addition to whole blood products. HERE TODAY IS \_\_\_\_\_ FROM THE AMERICAN RED CROSS - SHE WILL GIVE YOU SOME ADDITIONAL INFORMATION ON OUR CONTRIBUTIONS.

@ Combined Federal Campaign Fund. For the last 10 years, we have contributed over \$300,000 to the Combined Federal Campaign Fund.

@ Habitat for Humanity. We have supported this endeavor by participating with an organization in building one house for a family within our community.

## MAKES GOOD BUSINESS SENSE

It makes good business sense to maintain a district in the South in addition to Boston and Los Angeles because:

@ Industry is moving this way. A recent article in the Washington Post predicted that cutbacks in the defense industry has changed its modus operandi. The Washington Post further stated that the defense industry will continue to maintain its traditional home bases in California and the Northeast United States where there are high wages, taxes, and utility and environmental costs and move instead to states such as Georgia, Florida, Texas and Arizona.

@ Building Costs. Our building is the only one of the 3 districts that is owned by DoD - we are located on Air Force Plan #6. We have made extensive improvements in this building to bring it up-to-date. We have replaced the entire conditioning system in this building. We have resurfaced and resealed the lot. We have established a quality engineering laboratory in this building. This laboratory is used for training engineering and quality assurance personnel, destructive testing, and high reliability soldering. These improvements have cost about \$2.5 million. As you can see, DCMD South has spent a lot of money to improve this building through 2007. This building belongs to the DoD community; it makes good business sense to do away with the one district that is in a government facility.

@ ADP Costs. Where in the pre-planning stage for BRAC 95 has any consideration been given to computer capabilities of merging the 3 district data bases into 2 data bases? In 1989, the AFPROs and the ARMY PROs were realigned under 3 districts. Their AMIS contract data base system was to be merged into our MOCAS base system. BRAC 91 resulted in merging from 9 to 5 districts, and BRAC 95 resulted in merging data bases from 5 to 3 districts. These mergers still have not been accomplished successfully. We are still tracking certain data elements separately in AMIS and MOCAS. And now we are trying to go down to 2 districts. The director at DFAS Columbus has indicated off the record that there is no way the current hardware can handle two districts. Another expert in the MOCAS has also stated off the record that further mergers are currently unmanageable until the MOCAS re-design is completed which will take 2 to 3 years. If these are valid assumptions, then further reduction will result in less and less data integrity.

@ Data Base Integrity. Our FY 94 nontransmitted error rating showed the following:

DCMDS - 1.64%  
DCMDN - 2.67%  
DCMDW - 6.17%

Again, if we had the least number of errors for total transactions, why do we do away with District South?

@ Travel Costs. We examined the airfares from Atlanta to our field offices and then re-figured them based on the proposed realignment. Airfares would result in an increase of 42%. Again, it makes no good business sense maintain an office in Atlanta, GA.

@ Personnel Pay Rates. Locality payment rates for the Federal Government show that Atlanta has a locality payment of 4.66%; Boston 6.97% and Los Angeles 7.39%. This means that a person doing the exact same job in Atlanta, Boston or Los Angeles receives less pay in Atlanta. Again, it makes no good business sense away with the one district that has a lowest personnel pay rates.

@ Personnel Actions. If DCMD South were eliminated as a headquarters North and DCMD West personnel offices would have to pick up additional work servicing the approximately 3400 current personnel in DCMD South, with no additional resources added to their organizations. This would lead to a degradation of effectiveness and efficiency of handling ALL personnel actions within DCMC - promotions, disciplinary actions, transfers, retirements, hiring, etc.

@ Office Automation/PC Maintenance. If DCMD South were eliminated as headquarters, DCMD North and DCMD West would have to expend significant additional effort to maintain the established PC/LAN/Office Automation equipment and software without additional resources, as proposed. This would lead to a critical degradation of the efficiency and effectiveness of ALL personnel in DCMC.

@ Personnel Strengths. The BRAC 95 analysis would result in the largest number of employees being displaced. Personnel figures are:

DCMDS	229
DCMDW	279
DCMDN	372

Rather than doing away with the District that has become more efficient, it would make good business sense for the other two Districts to reduce their levels - a decrease of approximately 200 persons overall.

MILITARY VALUE

OF

DISTRICT SOUTH

We believe that District South should rank #1 in military value in relation two districts. Instead, we went from being ranked #1 in 93 to #3 in 95. He on this subject is Mrs. Terry Jansen.

## CONCLUSION

We believe that District South has been the leader in downsizing and re-investing have brought our personnel resources down from 350 in 1993 to 227 today. The other two Districts have an average of 325 in each location. We challenge the other two districts to follow us: we are lean and mean, and still do the job. AT THIS POINT UPON MR. OSCAR LEONARD FOR CLOSING REMARKS.

- @ Call upon the Community
- @ Disability Awareness Council
- @ Closing Remarks

## MILITARY VALUE ANALYSIS

Good morning. My name is Terry Jansen and I am here to talk to you about Military Value, actually the only criteria that really matters in the final analysis of whether an activity should continue to serve the military services or not.

In the Concept of Operations, 18 Mar 94, DLA made the assumption that geographic location attracts logistics expertise, then proceeded to ignore its own assumption by disregarding the fact that the South is the fastest growing area in business and is virtually a magnet, attracting relocations of potential employees. Last week, the Chairman of the Cobb County Board of Commissioners said that Cobb County will begin to take measures to slow the county's population growth, with a goal of limiting it to 600,000 in the next five years. These measures are necessary because of the constant influx of people moving into the area from the north. Almost 70 percent of the people in this room are transplants from the north. Over 95 percent of the Fortune 500 companies have offices in the Atlanta area, from regional to international. The expertise is here and we don't have to worry about not being able to attract additional personnel in a up-staffing situation. While the BRAC Executive Group's (BRACEG) premise that retaining staff in lieu of hiring new employees is important, especially in light of the previous DLA disaster when DFAS was formed and they could not get experienced people to move to Columbus, Ohio, it is not valid in this situation. In the BRACEG minutes of the 7 Dec 94 meeting, it says "While volume or scope of workload does not define essentiality, per se, the technical expertise of the work force is a key factor in evaluating the risk inherent in any alternative", yet the criteria established by DLA to define Military Value flies in the face of its own pronouncements. The movement of defense contractors' facilities is to the sun belt, but that fact was ignored.

In the Organizational Span of Control section, under "Support Ratio of District to Field", DLA shows that in '90, the ratio throughout DLA was 20%, in '93 the ratio had dropped to 10%, a target of 7% was set for '94, and efforts are underway to achieve 5% in '97. In the BRACEG meeting of 19 Dec 94, the minutes state that one of the reasons for selecting DCMDN to remain, while deciding to close DCMDS was "Although the Northeast supports its field personnel with a lower headquarters to field ratio than DCMDS, Northeast has a larger managerial and administrative infrastructure in place. If Northeast were to close, South would have to be staffed-up considerably more than NE." There is no basis given for that assumption, yet the facts show that the DCMD South staff went down from 258 in 1994 to 239 in early 1995 and now stands at 227, while picking up approximately 550 additional field personnel upon the closure of DCMDM in June 1994. It would certainly appear that we are being penalized for being efficient for carrying out DLA's policy to streamline the organization by drawing down the number of administrative support personnel and going to a two-tier management structure. One of the justifications stated for closing us was that we would have the least amount of personnel impacted. If we had not followed DLA's directive to downsize, we would have had a better chance.

The DLA Vision includes a tenet to Ensure Best Value and reduced cost through:

Multifunctional teams

Best Business Practices Benchmarking

Corporate Information Management and Technology Infusion

Yet, DLA chooses to disregard District South's lead in making early strides in reorganizing into Multifunctional teams, and achieving more support to the field personnel with a smaller District staff, through the tremendous effort and sunk costs needed to move the entire District South headquarters staff effectively into the information age through the use of computers.

The decision to close DCMD South was not made 19 Dec 94, when Adm. Straw approved the recommendation presented to him by the BRACEG. It was made in 1993 when the "spoils" were divided among the three surviving Districts, after Central and MidAtlantic were disestablished. The number of DCMAOs and DPROs, and their locations, that we would receive was determined by DLA; the number of contractors and contracts, with their Unliquidated Obligations, was determined by DLA; and the size of our resultant workforce was determined by DLA. Upon learning of the projected divisions, we made a proposal to DLA that would have more equitably distributed the work load among the three Districts, but DLA chose not to consider it. Consequently, we were left in a considerably weaker position when, lo and behold, DLA decided that the number of DCMAOs and DPROs, and their locations, the number of contractors and contracts, with their Unliquidated Obligations, and the size of our resultant workforce were all **critical** factors in determining who should be closed in BRAC 95. To quote a famous military personage of the past, "Surprise, Surprise!"

I thought I had a pretty good idea of the concept of what Military Value meant - To provide what the customer wants, where they want it, when they want it, at the lowest possible price. When the BRAC announcement was made, the local newspapers all had bold headlines that shouted "NO BASES IN GEORGIA TO CLOSE!" One of the reasons cited for Georgia's good luck was that the southern states were "militarily strategic". I don't understand how the south could be militarily strategic to the armed services, yet DCMDs have so little military value, when our mission here is to serve the military.

I believe the Defense Logistics Agency must have its own definition and DLA's criteria of what constitutes military value differs from mine. In this age of electronic communication and air transportation, it is not just where an DCMAO or DPRO is located, but how quickly can they be reached. We can fly to DCMAO Orlando and be in the office before our peers in Boston can drive to a location less than 100 miles away. Access to the airport is better evaluated by the time it takes to get there during office hours, than the miles it takes as the crow flies or the fish swims. While access to a train might be important in an area where many employees rely on it for their daily commute, it is low priority in an area where people are able to drive to work and park for free. Our state of the art video telecommunication center allows us to meet "face to face" with 25 different activities throughout the country. We had ours for months before Boston got theirs.

Much of the criteria established by DLA to define what Military Value meant appears to have changed over the years. In BRAC 93, we ranked second of the five Districts, in BRAC 95 we ranked third out of three. If it can be said "What a difference a day makes, 24 little hours", I guess that a lot of thing can change in two years. And they have in District South. We have increased our number of major contractors, as several defense contractors have relocated to the south or merged with other contractors who are already established in the south. We have accomplished a mammoth undertaking in the closeout of approximately 20,000 overage contracts at DCMAO Baltimore since we acquired it in June, 1994. We have both of the largest dollar-value contracts in the country in the south with the F-22 and Stewart and Stevenson's Army trucks. The V-22 program is definitely a major future undertaking. Somehow, these criteria were not taken into account. But for Boston to try to monitor these programs from its location will be detrimental to the contractors, and ultimately, to the military.

The BRACEG conceded that it would be difficult to merge three Districts into two, but felt that there would only be a moderate risk to the mission of DCMC. They failed to mention one of the most important limitations facing the disestablishment of District South and that is the limitations of the automated systems used to perform the DCMC mission. Many of those systems are deficient. They are hard to change, technically obsolete with limited capacity to expand, require many manual functions, and have inadequate interface with DoD systems. These deficiencies result in slow processes and bad data. Just ask anyone at DLA to wager their next paycheck on the accuracy of the Quality Assurance Management Information System and see how quickly they will admit to DLA's inability to fix that one system after years of trying. Much of the AMIS contract data still has not been merged into MOCAS from the 1989 acquisition of the Plant Representative Offices from the military services. Ask a defense contractor how smoothly the merger of all of the accounting and payment data went when all of the Finance offices were pulled out of DCMC and consolidated at DFAS. That process was accomplished over a period of years because of problems with the data systems, but the problems continue to plague DFAS, resulting in late payments, exorbitant interest fees due to late payments, and degradation of services to the contractor. Ultimately, the military services suffer. The payment disasters of DFAS should be warning enough that the automated systems are a principle factor in the timing of closures. It is too late to find that the system is incapable of supporting the data base after an activity has been closed.

As I have said, the distribution of the workload after BRAC 93 was made in a method designed to place this organization in harm's way in BRAC 95. In addition, it was not that the data was wrong, it was that the wrong data was collected. The true measure of what constitutes an activity's value to the military was not looked at. It would be logical for you to question why the Commission should care, if it is so obvious that DLA manipulated the situation to favor their close neighbor, the Northeast. We believe that the Commission should care because it is their responsibility to ensure that the military services are receiving the best service at the lowest cost, without political pressure or consideration.

The availability and condition of land, facilities, and associated airspace is an important factor in the evaluation process. The BRACEG Meeting Minutes of 15 Nov 94, said "Distinguishing among the military value of activities with like missions is diffi-

cult. Often, the ability to expand the condition of the building(s) and facility are the differentiating factors. The methodology for assigning points in the military value analysis for BRAC 95 will reflect the mission similarities more clearly. The methodology will also appear easier to defend, and will make the role of military judgment in the decision process more obvious." There have been a number of major improvement made to B-95 in the last few years that have resulted in a very desirable workspace. As these cost are sunk, there is no future cost required. As a side note, we are totally unable to understand how facility costs for DCMD West were projected for their next location since they don't even have a location designated.

In light of the southern migration of defense contractors, DLA can ill afford to lose its presence in the south. We feel that instead of trying to manage contract administration for all of the military services from two far-flung locations on opposite shores with large staffs, it would be much more beneficial to the military services to maintain three location with smaller, leaner staffs. We have already begun the process and would be happy to show Boston and LA how it is done.

FAX TRANSMITTAL		# of pages ▶ 1
To <i>Marilyn Campbell</i>	From <i>DCMDS</i>	
Dept./Agency	Phone #	
Fax # <i>1-703-696-0550</i>	Fax #	
NSN 7510 01-017-7366 5098-101		GENERAL SERVICES ADMINISTRATION

Marilyn,

Here is the breakout of contracts as requested:

25844	WEST
112586	NORTHEAST

I am also faxing a copy of the listing of names...

I have the facilities folks working on the plan for space in the building...hope to have that to you by the end of the week. Eve will ride herd on it for me...thanks, again.

Doris

22 May 95

*Marilyn: I'm not sure if you received this, so I'm sending it again.*

*Eve Williams  
25 May 95*

DCMDS



**Defense Contract Management Command**

MOCAS FOCAL POINTS

DLA            ETHEL BERG  
(703) 274-7014

DFA S            STEVE FRISCH  
(614) 693-4859 (NOT  
                    STEVE'S # - ASK FOR  
                    HIS #)

DSDC            DENNIS CHERNEY  
(614) 692-9205

DCMD SOUTH HEADQUARTERS  
MISSION TRAVEL\*

FY95

HQ. Alloc. = \$1,108,370

Oblig. thru April 95 = \$739,536

FY94 Alloc. = \$868,424

Obligated = \$870,721

\*Excludes ~~Training~~ TRAVEL

# DRAFT

## DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION Base Summary Sheet

### Defense Contract Management District South (DCMDS) Marietta, Georgia

#### INSTALLATION MISSION

Provide command and control, operational support and management oversight for 90 Defense Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located throughout the continental United States.

#### RECOMMENDATION: Disestablish Defense Contract Management District South

- Relocate its missions to the Defense Contract Management District Northeast and Defense Contract Management District West.

#### JUSTIFICATION

- Due to the impact of DoD Force Structure drawdown, budget cuts, and the resulting decline in acquisition workload, a number of DCMAOs and DPROs have been disestablished thereby reducing the span of control responsibility at the Defense Contract Management Districts.
- As the drawdown continues, the number of DCMAOs/DPROs is expected to decline even further.
- The closure of a district and realignment of assigned DCMAOs and DPROs to the remaining two districts is feasible with only a moderate risk.
- Although, the difference between second and third place was not sufficiently broad to dictate a clear decision by itself, DCMD South received the lowest Military Value score.
- Military judgment determined that a single DCMD presence on each coast is necessary. A west coast DCMD is required because of the high dollar value of contracts and the significant weapon-systems related workload located on the West Coast.
- There is a higher concentration of workload in the Northeast, in terms of span of control, field personnel provided support services, numbers of contracts, and value of contract dollars obligated than in the South. In addition, DCMD Northeast supports its DCMAOs and DPROs with a lower ratio of headquarters to field personnel than DCMD South.

#### ITEMS OF SPECIAL EMPHASIS

- Validation of costs associated with recommend action.
- Response time for surge requirements.

DRAFT

# DRAFT

## COST CONSIDERATIONS

- One-Time Cost: \$ 3.8 million
- Net Costs and Savings During Implementation: \$ 17.9 million
- Annual Recurring Savings: \$ 6.1 million
- Break-Even Year: 1999 (1 years)
- Net Present Value Over 20 Years: \$ 75.8 million

## MANPOWER IMPLICATIONS

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
<b>Baseline</b>			
Reductions	2	101	-
Realignments	3	40	-
Total	5	141	-

## ENVIRONMENTAL CONSIDERATIONS

- Environmental considerations do not prohibit the recommendation from being implemented.

## REPRESENTATION

Senators: Sum Nunn  
Paul Coverdell  
Representative: Bob Barr  
Governor: Zell Miller

**DRAFT**

**SIGNIFICANT ISSUES**

**MILITARY ISSUES**

- Relocation of current mission.
- Response time for surge requirements.

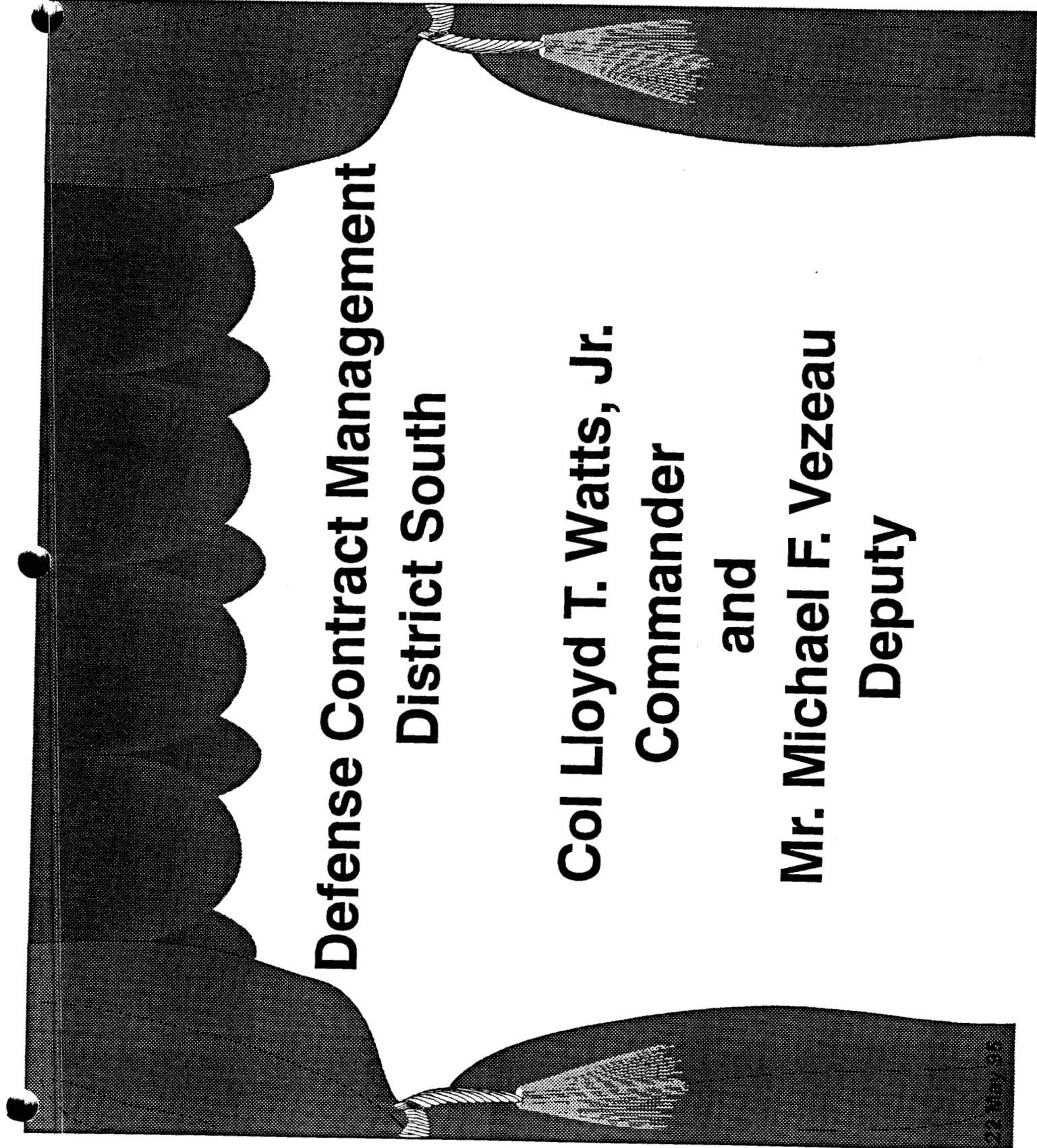
**ECONOMIC IMPACT**

- Potential Employment Loss: 275 jobs (169 direct and 106 indirect)
- Atlanta, GA MSA Job Base: 1,923,937 jobs
- Percentage: 0.1 percent decrease
- Cumulative Economic Impact (year-year): 0.1 percent decrease

**COMMUNITY CONCERNS/ISSUES**

- Job loss.

Marilyn Wasleski/Interagency Issues Team/03/11/95 12:59 PM



**Defense Contract Management  
District South**

**Col Lloyd T. Watts, Jr.  
Commander**

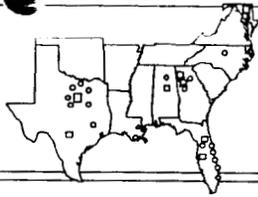
**and**

**Mr. Michael F. Vezeau  
Deputy**

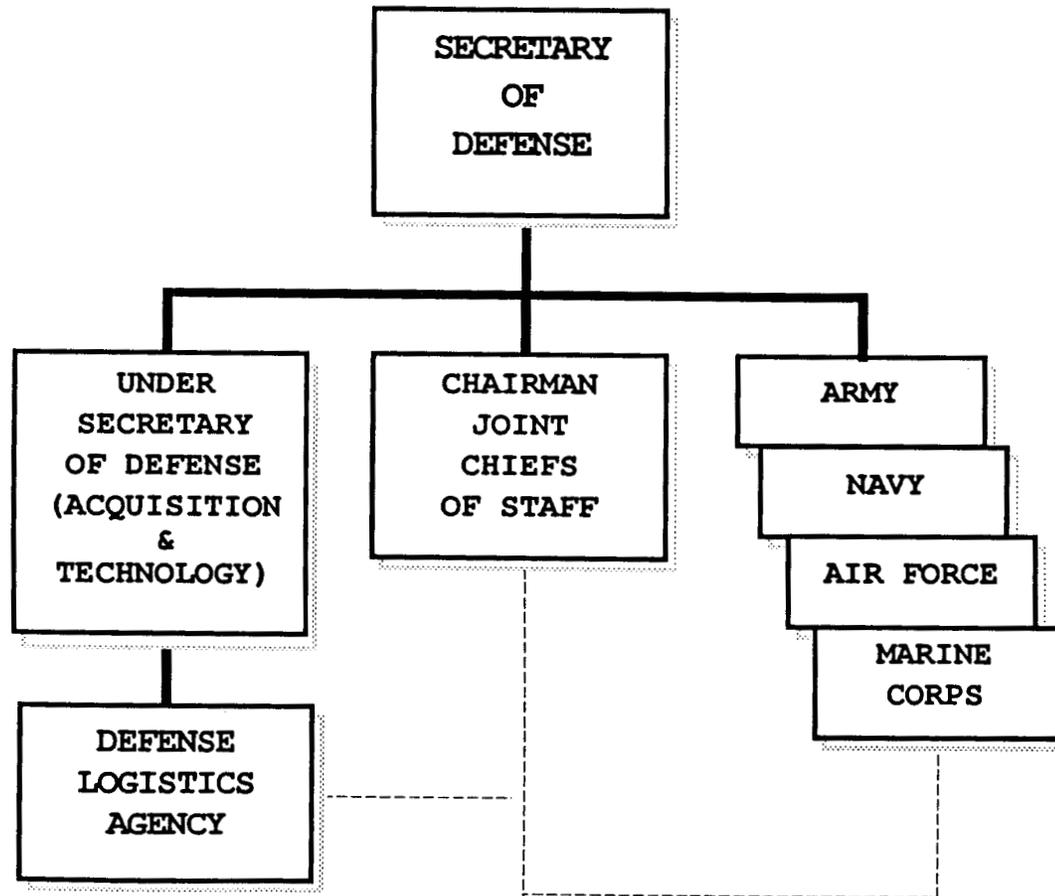


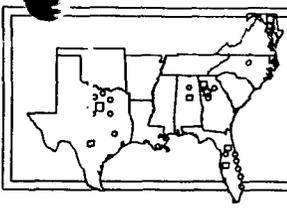
# DCMD South

- WHO WE ARE
- WHAT WE DO

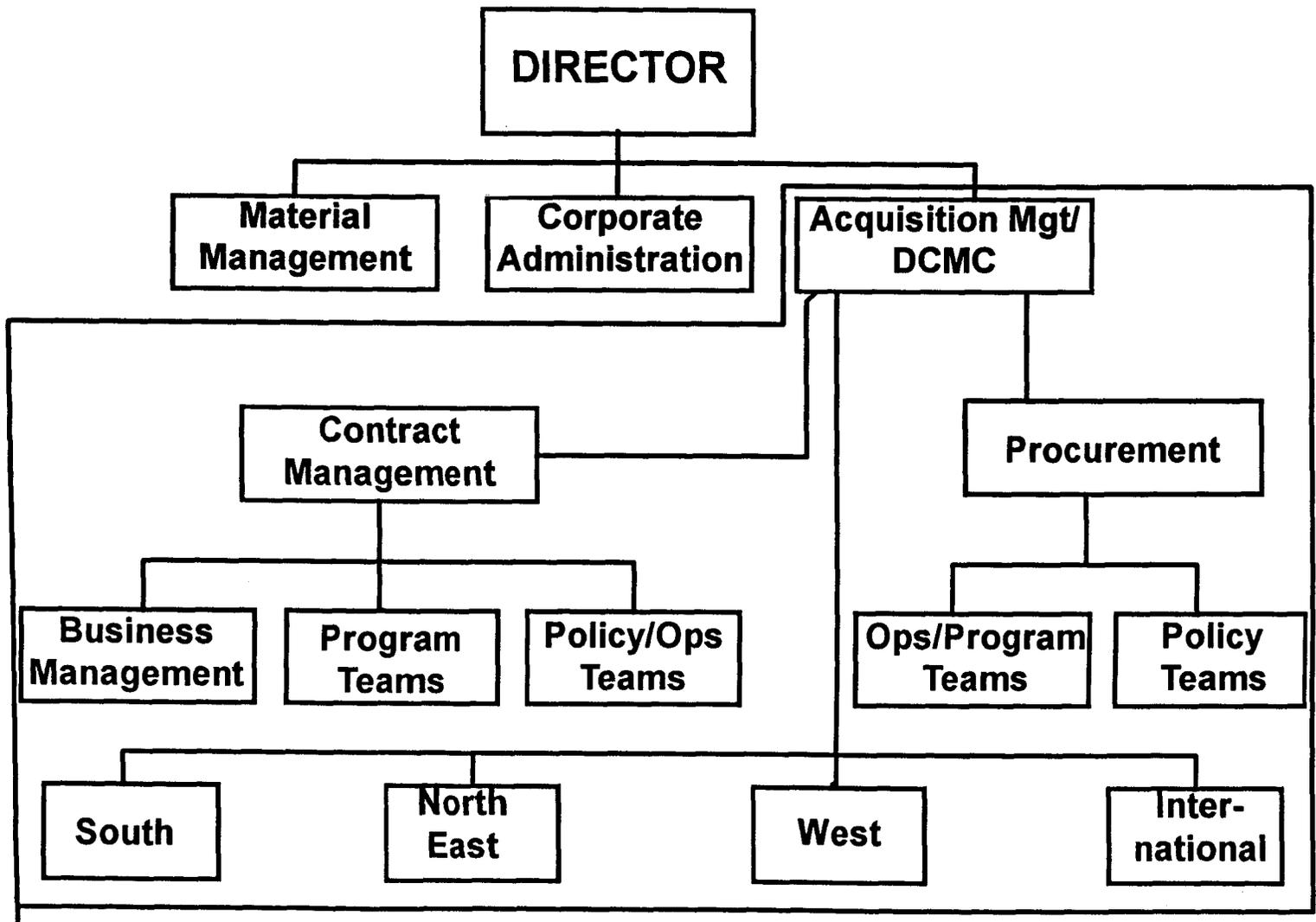


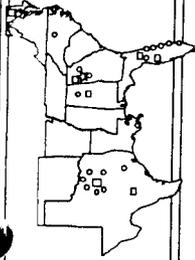
# Organizational Relationships





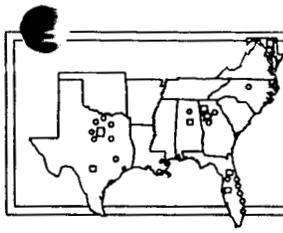
# Defense Logistics Agency





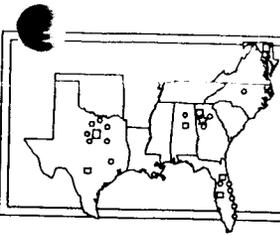
## **Defense Contract Management Command Mission**

**We provide worldwide contract administration services (CAS) in support of DoD components, National Aeronautics and Space Administration, and other designated federal and international organizations.**

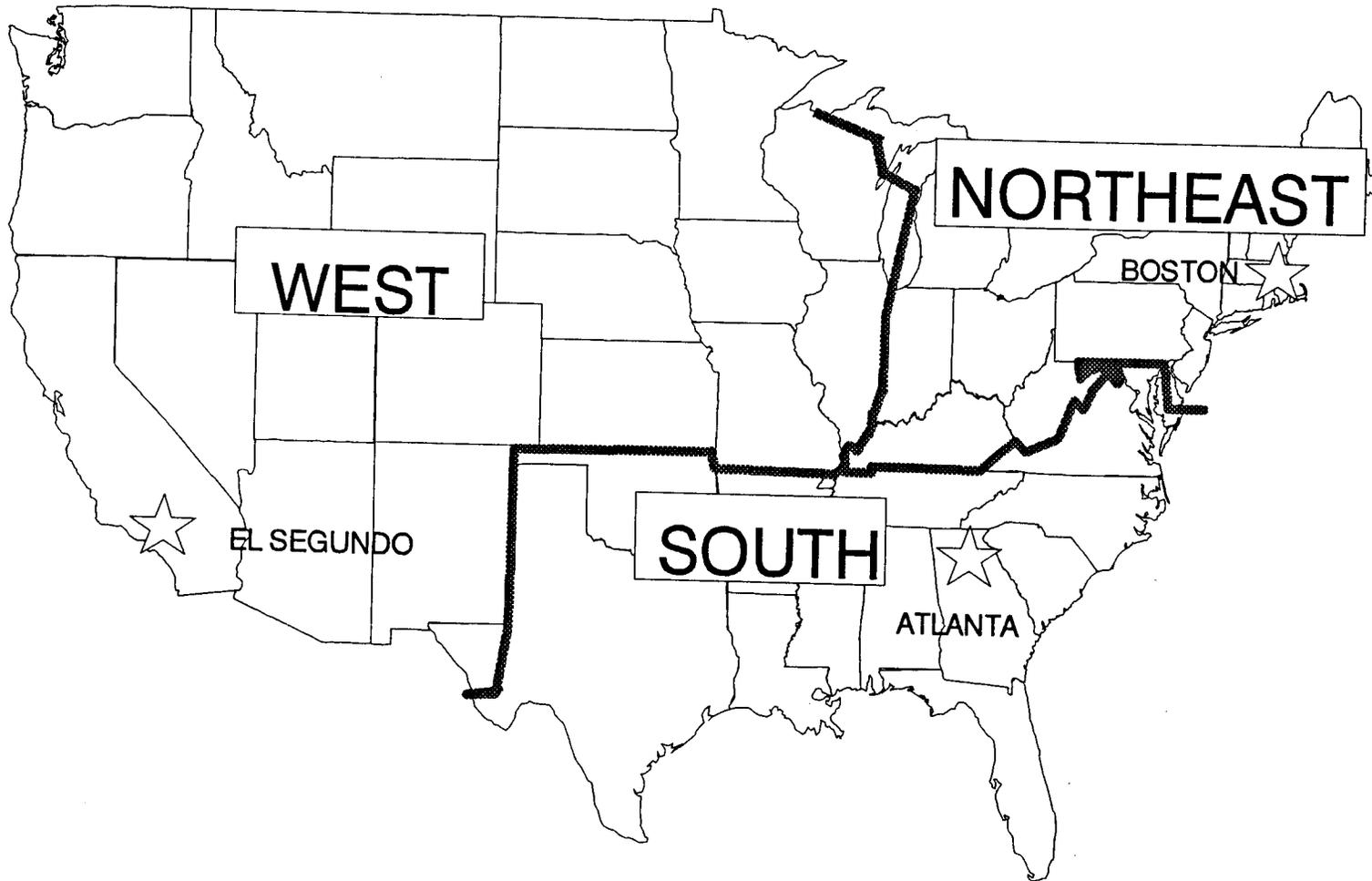


# DCMC Mission

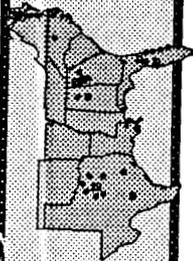
- **Assure contractor compliance with cost, delivery, technical, quality and other terms of the contract**
- **Accept products on behalf of the government**
- **Provide program and technical support**
- **Ensure that the contractor is paid**



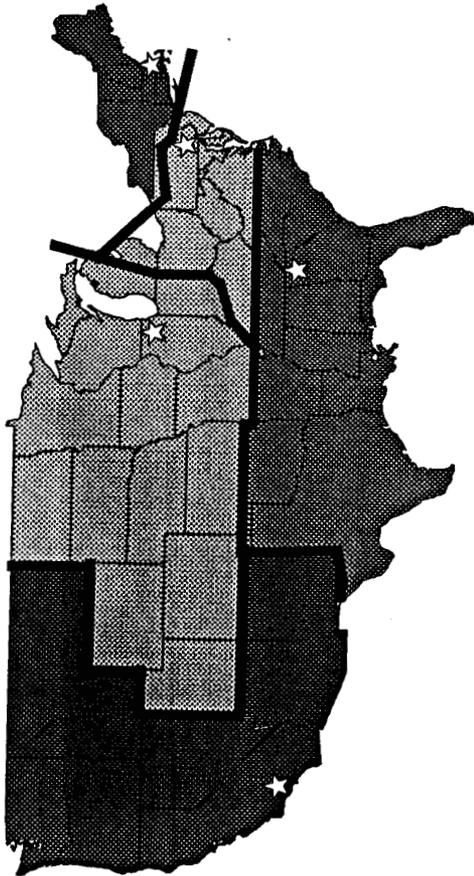
# Defense Contract Management Command



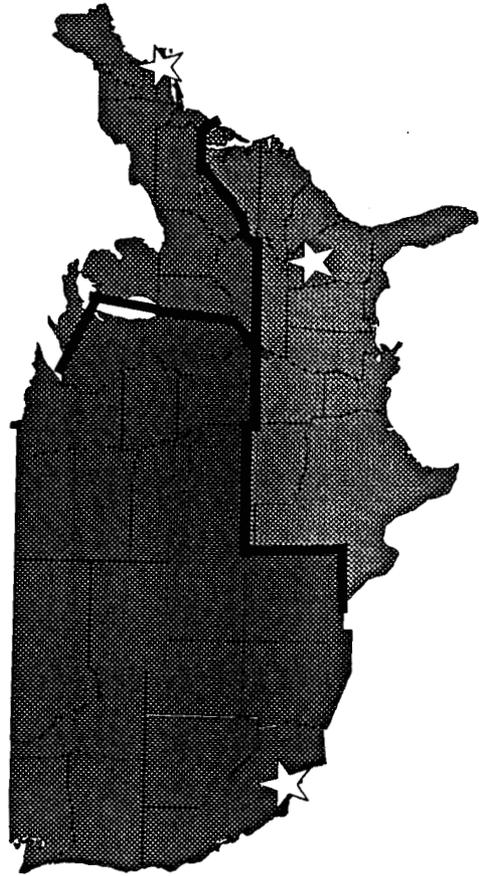
# BRAC 93

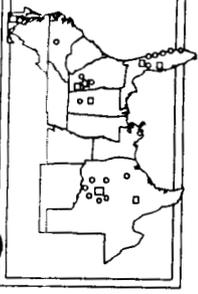


**Before Consolidation**



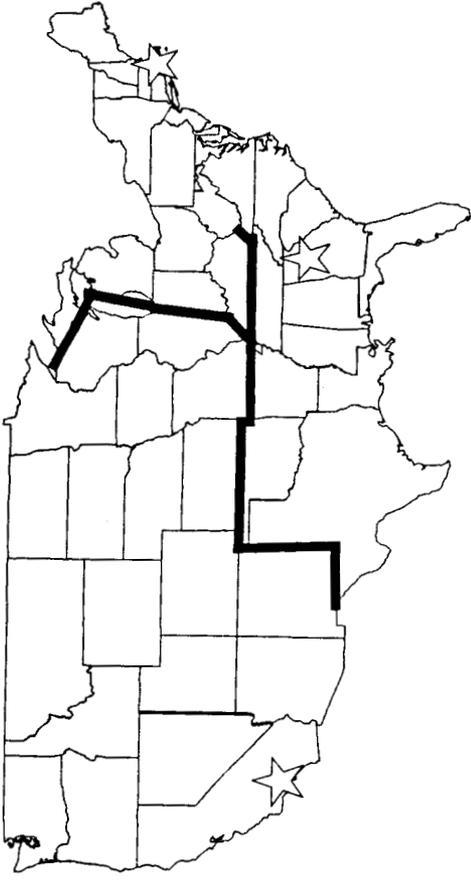
**After Consolidation**



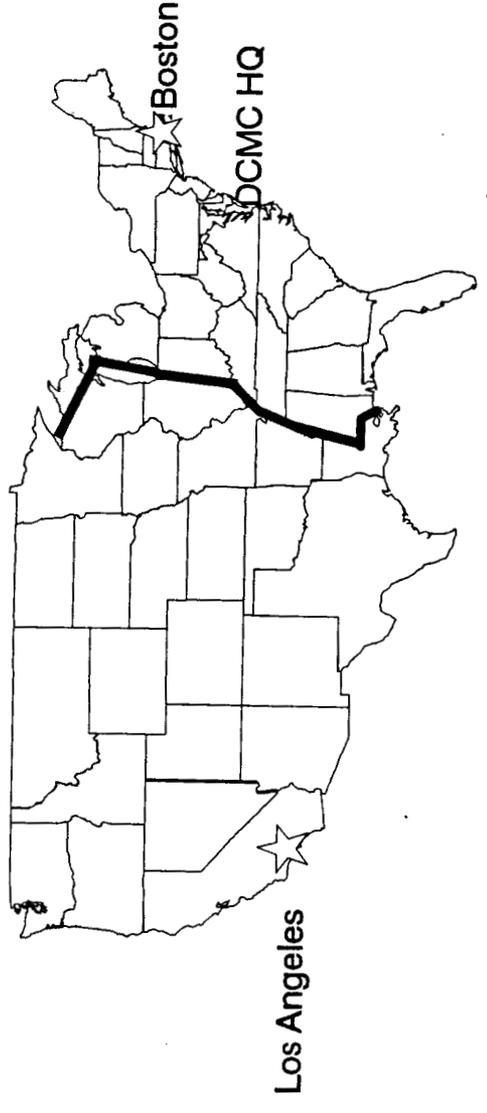


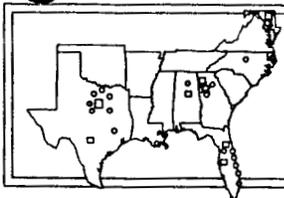
# BRAC 95

**Before Consolidation**

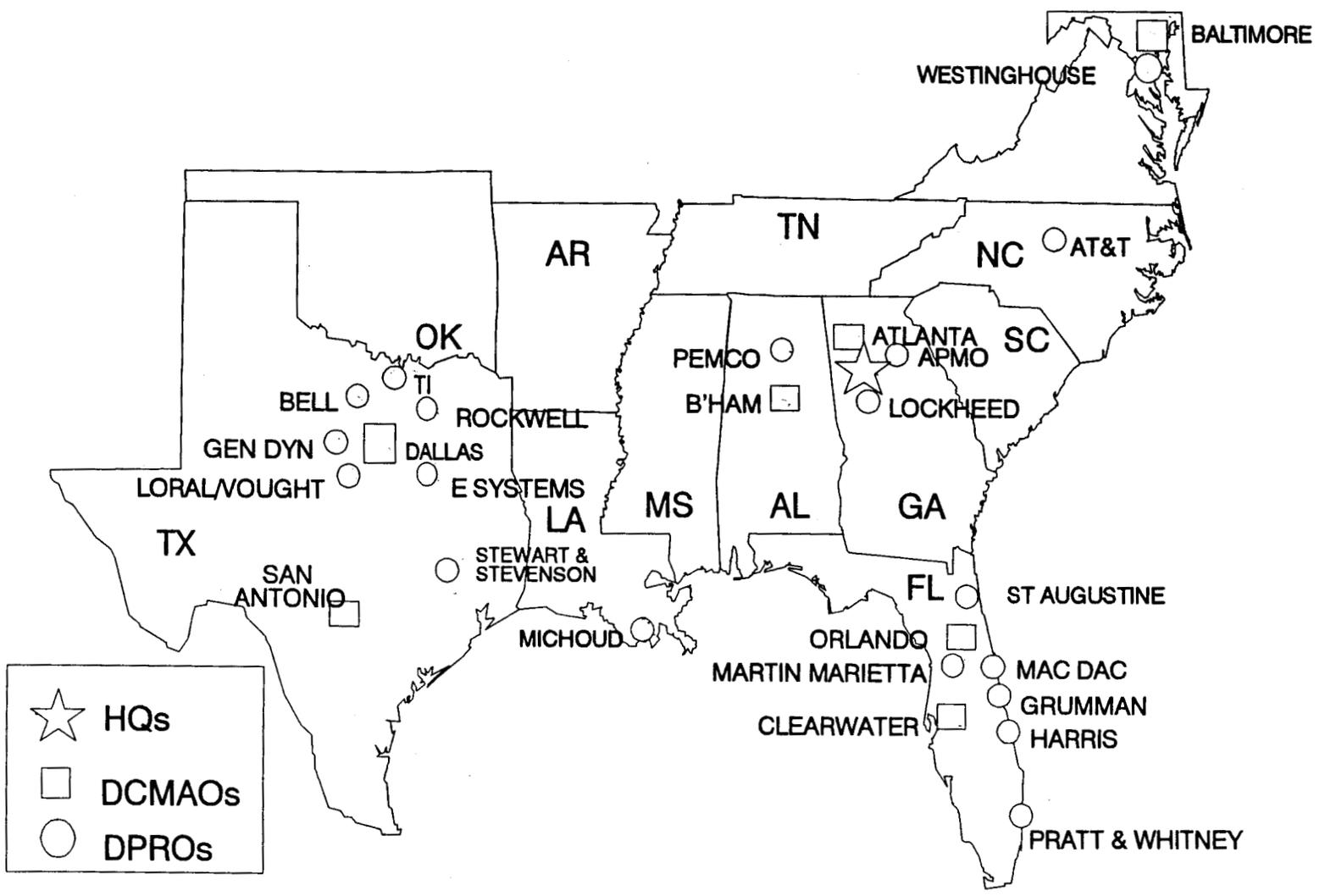


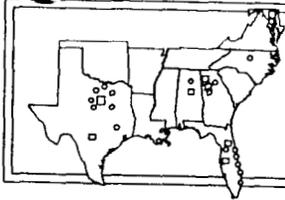
**After Consolidation**



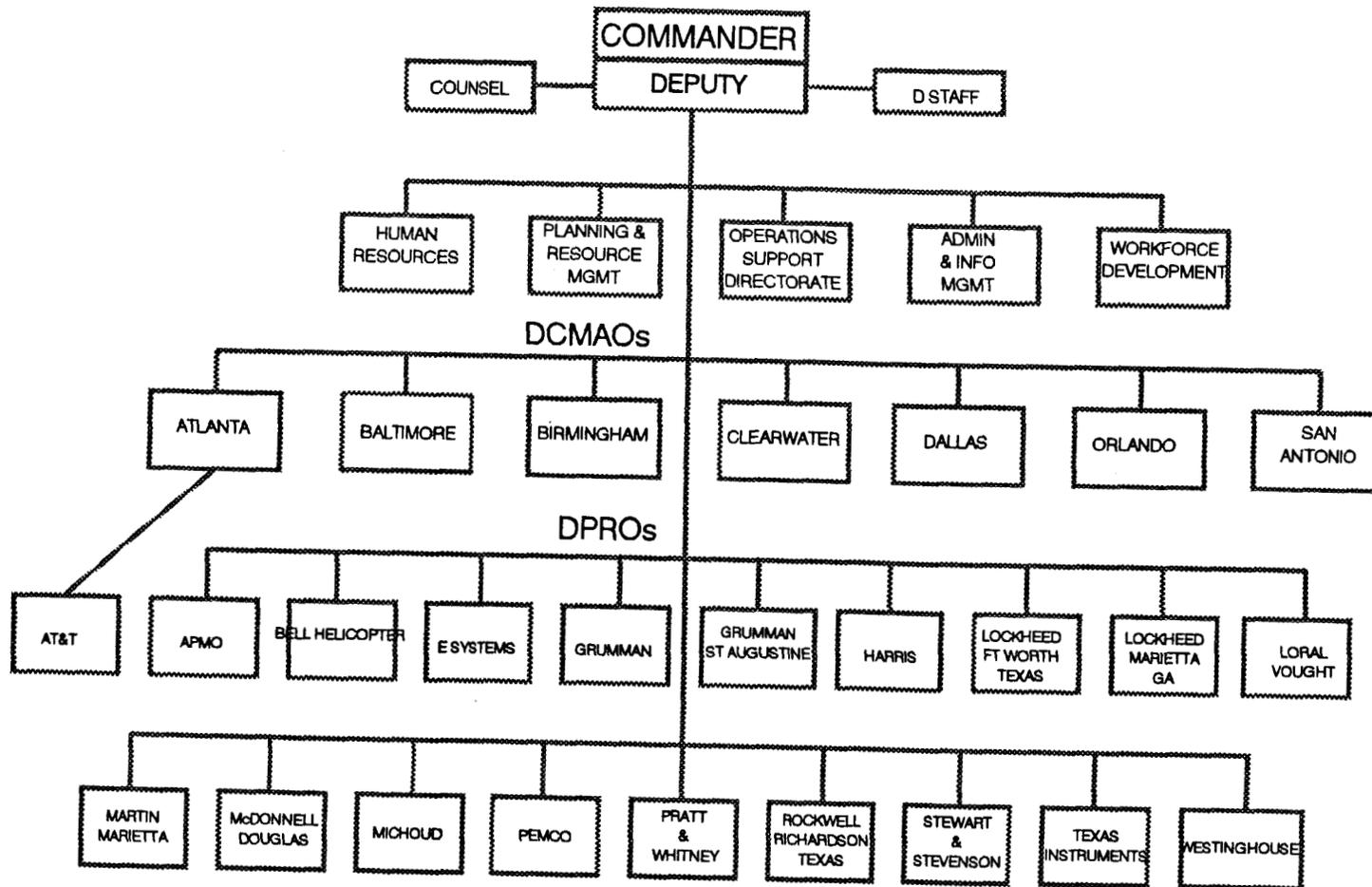


# DCMD South





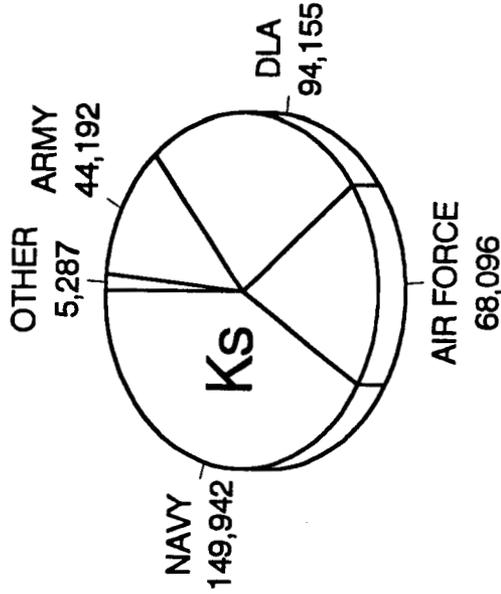
# Defense Contract Management District South



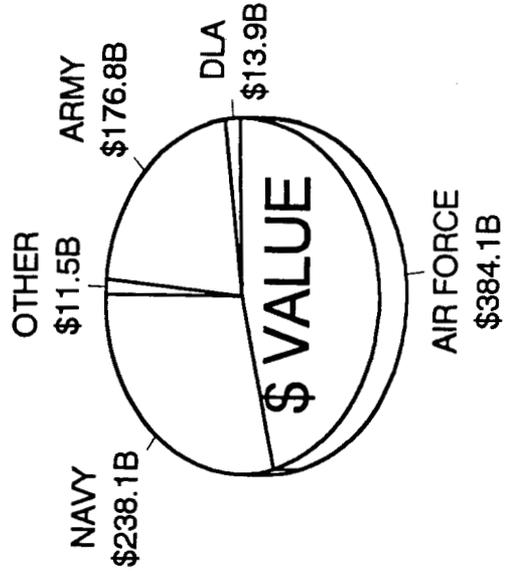


# DCMC at a Glance

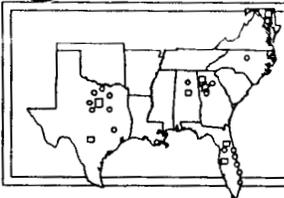
Prime Contracts: 361,672  
(24,000 Contractors)



Contracts Value: \$844.4 Billion  
(\$177B ULO)

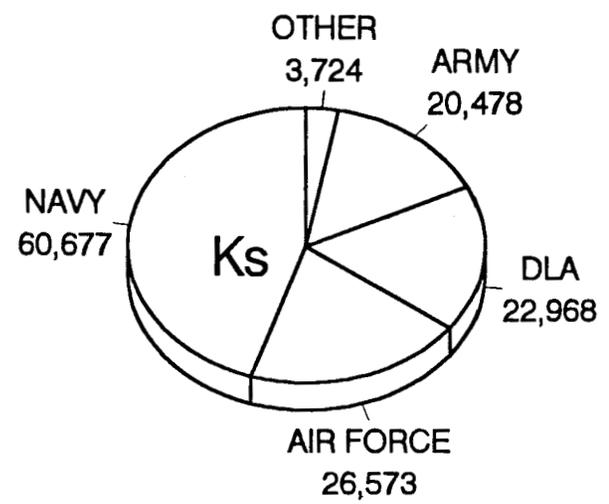


Workforce:	Civilian	16,924
	Military	<u>633</u>
	<b>TOTAL</b>	<b>17,557</b>

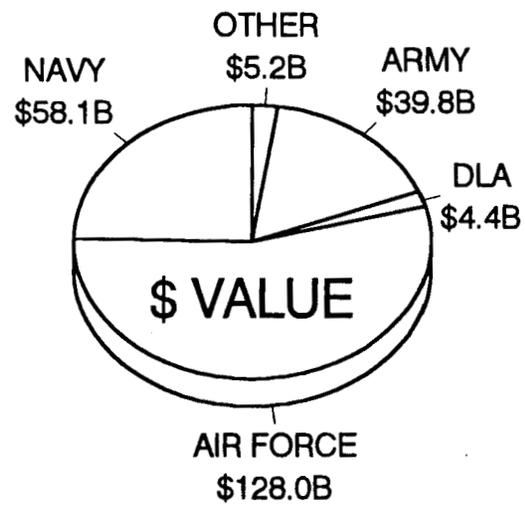


# DCMD South at a Glance

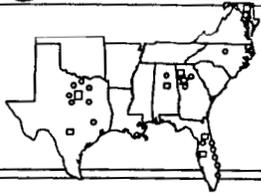
Prime Contracts: 134,420  
*(3,369 Contractors)*



Contracts Value: \$ 235.5 Billion  
*(\$37B ULO)*



Workforce:	Civilian	3,285
	Military	<u>137</u>
	TOTAL	3,422



# DCMDS DAES Programs

## AIRCRAFT SYSTEMS

F22

F16

C130J

C130H

JSTARS

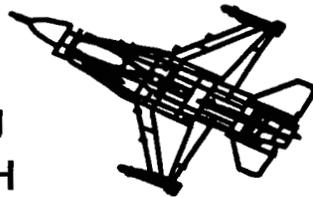
OH58D AHIP

LANTIRN

LANGBOW FCR

V22

AWACS RSIP (E-3A)



## MISSILES

JAVELIN

HARM

JSOW

ATACMS

MLRS

HELLFIRE

SM-2

LANGBOW MISSILE

PATRIOT

JDAM

AVENGER

## C<sup>3</sup> SYSTEMS

MILSTAR

SMART-T

SINGARS

NAVSTAR

SBIS

CMU

CASS

RCAS

CEC

## TORPEDOES

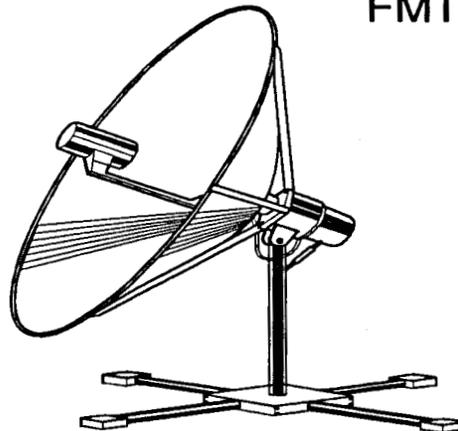
Mk-48 ADCAPS

## SURVEILLANCE

FDS

## WHEELED VEHICLE SYSTEMS

FMTV



## DCMDS MAJOR PROGRAMS

### AIRCRAFT SYSTEMS

F22	Advanced Tactical Fighter (ATF)
F16	Fighter Aircraft
C-130J	Cargo Transport Upgrade
C-130H	Cargo Transport
JSTARS	Joint Surveillance and Target Attack Radar System (Aircraft)
OH58D AHIP	Advanced Helicopter Improvement Program
LANTIRN	Low Altitude Navigation and Targeting System Infra-Red Night
LONGBOW FCR	Longbow Fire Control Radar
V22	Joint Advanced Vertical Aircraft Tilt Rotor
AWACS RSIP	Airborne Warning and Control System, Radar System Improvement Program

### MISSILES

JAVELIN	Advanced Anti-Tank Weapon System - Medium
HARM	High Speed Anti-Radiation Missile
JSOW	Joint Stand-Off Weapons
ATACMS	Army Tactical Missile System
MLRS	Multiple Launch Rocket System
HELLFIRE	Laser Hellfire System Air to Ground
SM-2	Standard Surface to Air Missile
LONGBOW	Hellfire Missile System Compatible with Longbow Fire Control
PATRIOT	Patriot PAC-3 Long Range Missile Improvement Program
JDAM	Joint Direct Attack Munitions
AVENGER	Forward Air Defense System

### C3 SYSTEMS

MILSTAR	Military Strategic/Tactical and Relay Satellite Communications System
SMART-T	Secure Mobile Anti-Jam Reliable Tactical System - Terminal
SINGARS	Single Channel Ground and Airborne Radio System
NAVSTAR	Global Positioning System
SBIS	Sustained Base Information System
CMU	Cheyenne Mountain Upgrade
CASS	Consolidated Automated Support System
RCAS	Reserve Component Automation System
CEC	Cooperative Engagement Capability

### TORPEDOES

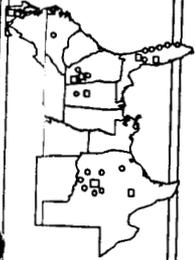
MK-48 ADCAPS	Advanced Capability Torpedo System
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### SURVEILLANCE

FDS	Fixed Distribution System, Anti-Submarine Warfare Surveillance System
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### WHEELED VEHICLES

FMTV	Family Medium Tactical Vehicles
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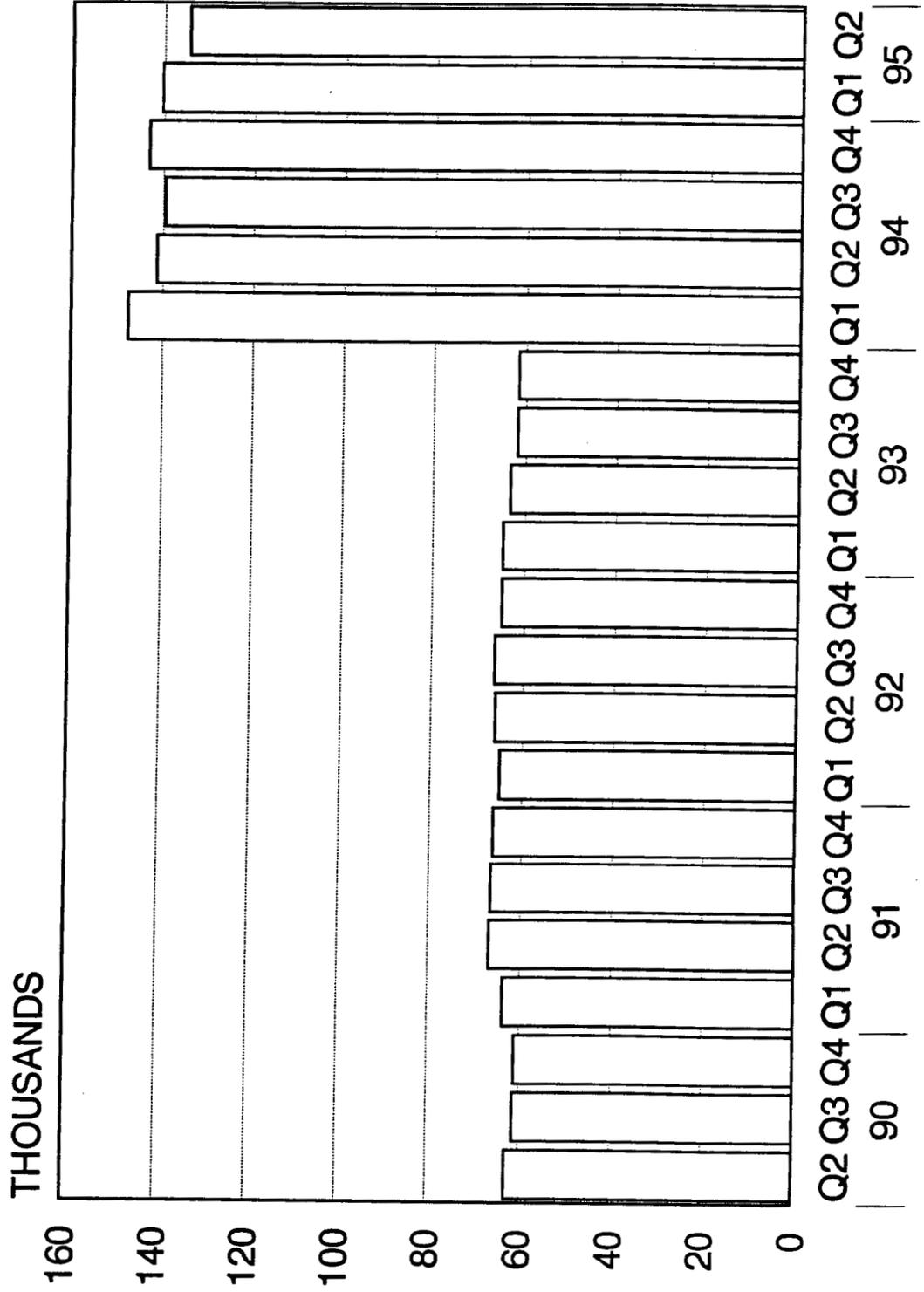


# DCMD South

- Oct 1965 — DCASR Atlanta Formed
  - Former AF, Army, Navy and DSA Contract Admin Activities
  - One of Eleven DCAS Regions
- Jun 1990 — DCMR Atlanta Established (DMRD 916)
  - DCASR Atlanta
  - AFPRO Pratt & Whitney, West Palm Bch, FL
  - AFPRO Lockheed, Marietta, GA
- Aug 1990 — DCMD South Established (DMRD 916)
  - Former DCMR Atlanta
  - Former DCMR Dallas
    - General Dynamics, Fort Worth, TX
    - LTV
    - Bell Helicopter
- Jul 1994 — DCMD South Expanded
  - One of Five DCMDs & DCMC International
  - BRAC of DCMD Mid-Atlantic
    - DCMAO Baltimore
    - DPRO Westinghouse
- 28 Feb 1995 DCMD South on BRAC



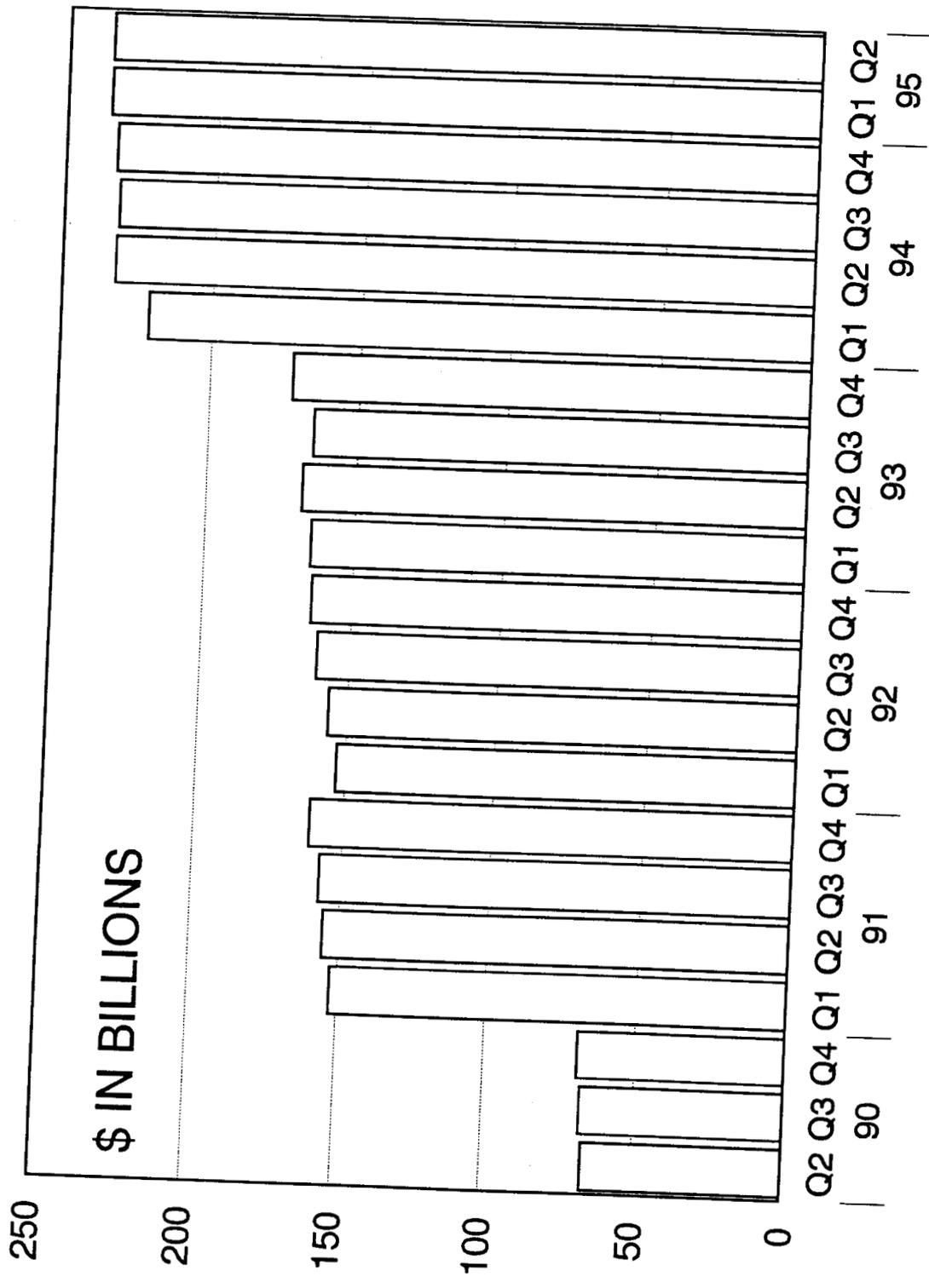
# Contract Count - DCMDS



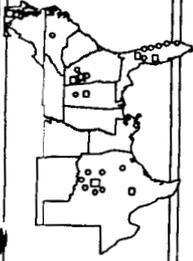
FY 94 INCLUDES DPRO WESTINGHOUSE AND DCMAO BALTIMORE



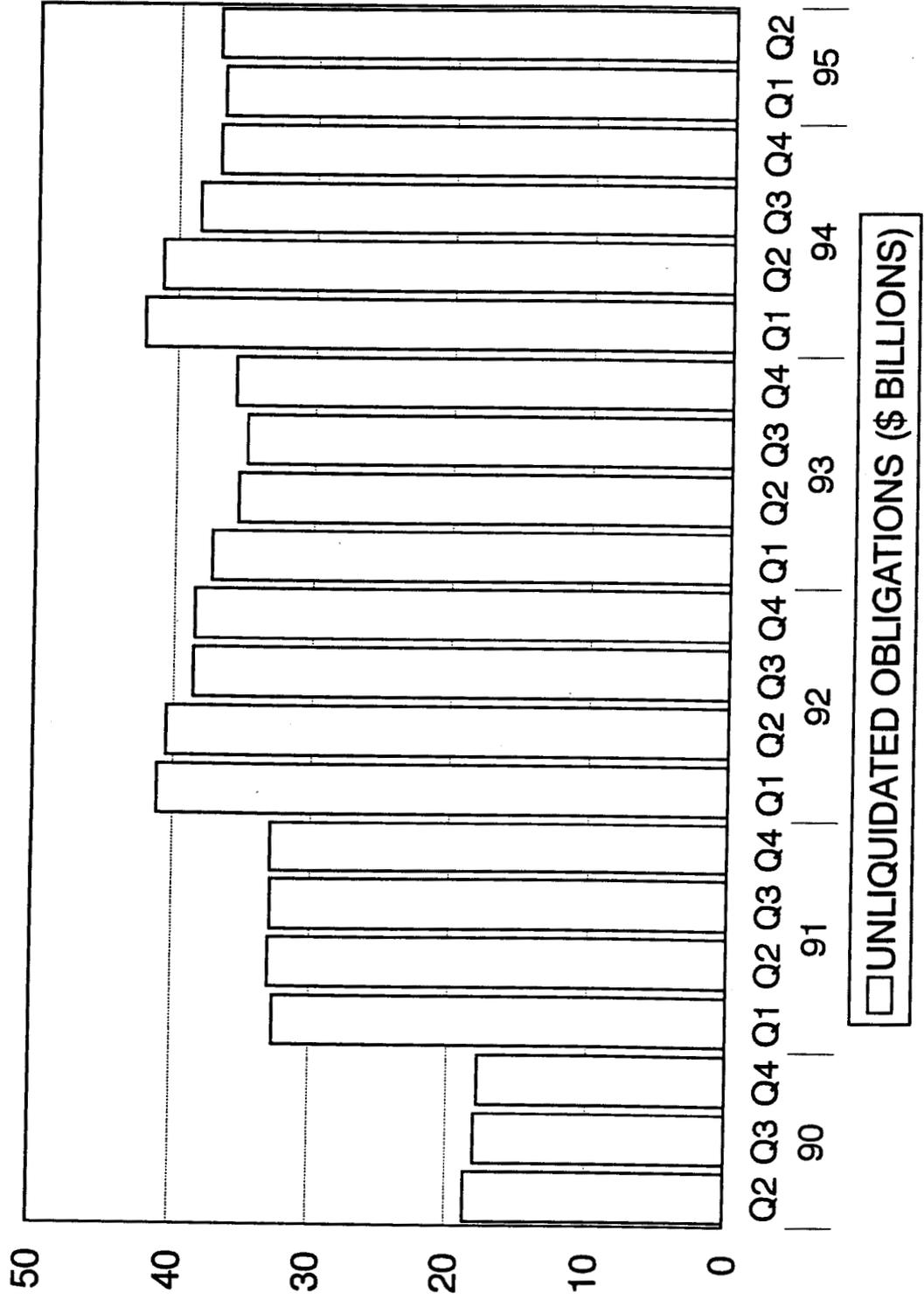
# Obligated Value Of Contracts DCMDS



FY 94 INCLUDES DPRO WESTINGHOUSE AND DCMAO BALTIMORE



# Total Unliquidated Obligation DCMDs



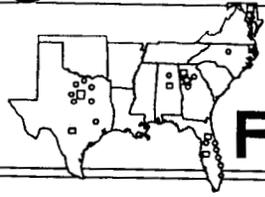


# DCMD South

## Budget Status

	<u>Allocation</u>	<u>Obligations</u>	<u>% Of Alloc</u>
Labor	\$174,069	\$86,317	49.6%
NonLabor	\$29,965	\$18,989	63.4%
PCS	\$3,535	\$2,273	64.3%
Total	\$207,569	\$107,579	51.8%

As of 31 Mar 95



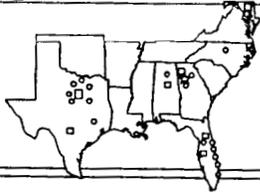
# DCMD South - General Profile

## FY 95 Civilian Authorized End Strength (AES)

		AES	O/B (03/11)
* DCMAOs (7)	56%	1882	1819
** DPROs (18)	37%	1243	1236
HQs	7%	<u>227</u>	<u>231</u>
		3352	3285

\* Includes DPRO AT&T

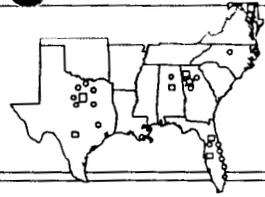
\*\* Includes APMO



## DCMD South

### End Strength

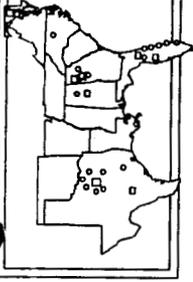
<b>FY89</b>	<b>- 1924</b>	<b>DCASR ATLANTA (130 DFAS)</b>
<b>FY90</b>	<b>- 3815</b>	<b>DCMDS (133 DFAS + 290 TMO)</b>
<b>FY91</b>	<b>- 3298</b>	
<b>FY92</b>	<b>- 3255</b>	
<b>FY93</b>	<b>- 2975</b>	
<b>FY94</b>	<b>- 3361</b>	<b>POST BRAC 93</b>
<b>APR 95-</b>	<b>3316</b>	



# Mission of DCMDS Headquarters

**Enable and Support the Contract  
Administration Offices  
in the Performance  
of Government  
Contract Administration  
Services**





## **DCMDS Vision**

**We, the members of District South, serve our country by ensuring timely delivery of quality products and services to our customers.**

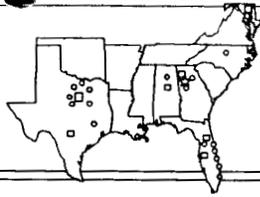
**We understand and satisfy our customers' expectations.**

**We treat people with dignity, trust and respect.**

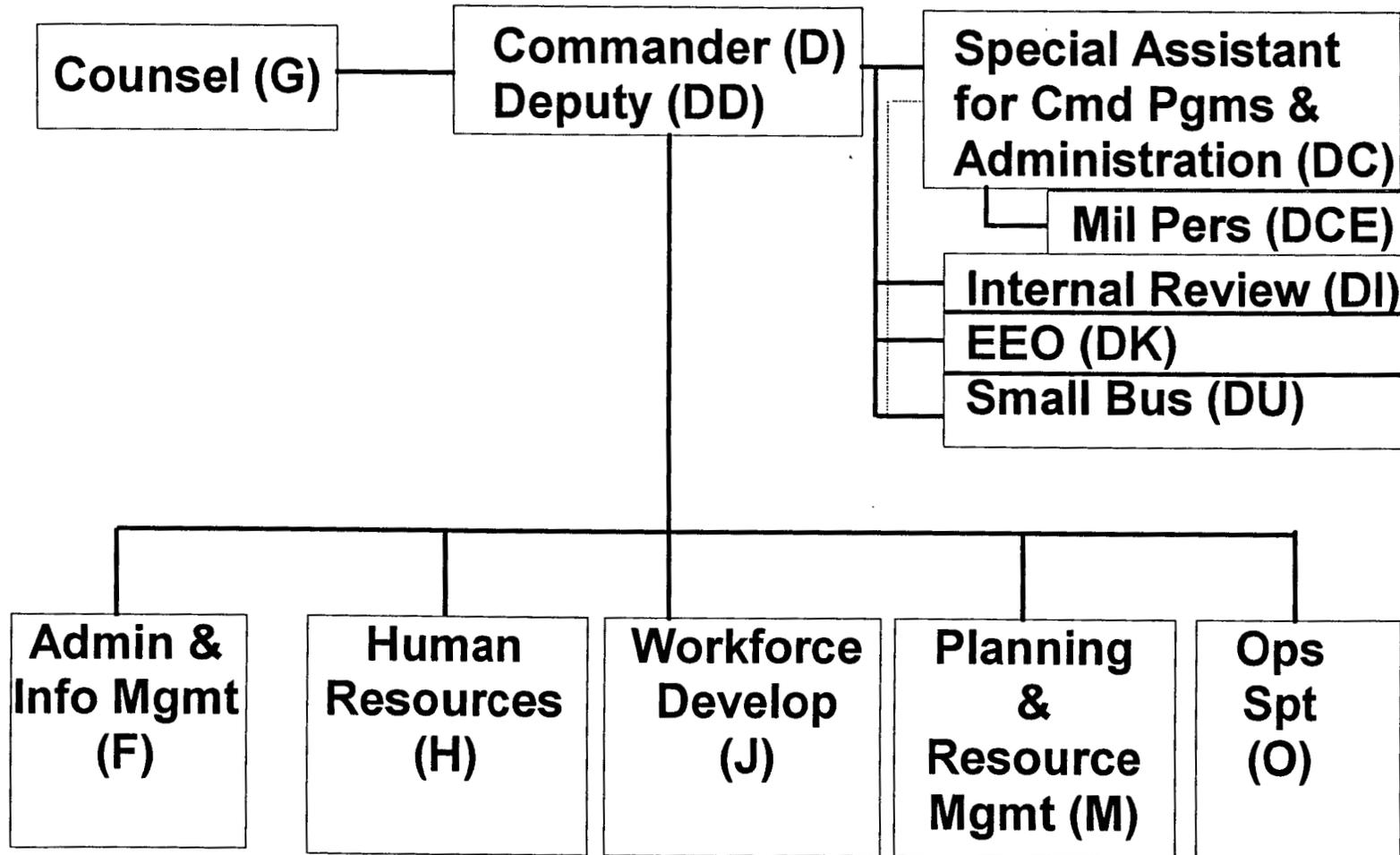
**Our work environment provides opportunity for individual growth and improvement.**

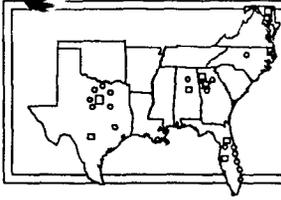
**We operate with integrity and ethics.**

**We use appropriate technology to best serve our customers.**



# DCMD South





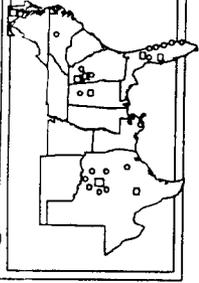
# **DCMD South**

## **Command Programs and Administration (-DC)**

- **Congressionals and Public Affairs**
- **Data Analysis and Integrity**
- **Assist DCMC in Metrics Development**
  
- **Military Personnel Office (-DCE)**
  - **Military Performance Reports and Assignments**
  - **Processing Awards/Decorations**
  - **Military Manpower Issues**
  - **Reserve Program Interface and Management**

**Civ - 5**

**Mil - 1**

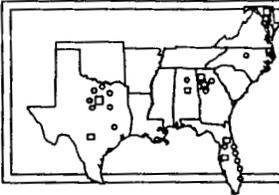


# **DCMD South**

## **Office of Internal Review (-DI)**

- **Conduct Internal Audits**
- **External Audit Liaison Program**
- **Accomplishes DLA Directed Audits**

**Civ - 4**  
**Mil - 0**



## **DCMD South**

### **Office of Equal Employment Opportunity (-DK)**

- **Implements EEO/Affirmative Action**
- **Manages EEO Complaint Process**
- **Oversite of Special Emphasis Programs**

**Civ - 4**  
**Mil - 0**



## **DCMD South**

### **Small Business Office (-DU)**

- **Ombudsman for Small and Disadvantaged Business Firms**
- **Liaison With Other Government Activities**
- **Assists CAO Small Business Staffs**

**Civ - 3**  
**Mil - 0**



# **DCMD South**

## **Administration & Information Management Directorate (-F)**

- **Telecommunications Operations and Support**
- **Command Security Services**
- **Procures Supplies and Services**
- **Records Management Support**
- **Facilities Management**
- **Manages Video Teleconferencing Center**

**Civ - 51**

**Mil - 0**



# DCMD South

## Office of Counsel (-G)

Provides Legal Advice and Representation in the Areas of:

- **Contract Administration**
- **Fraud**
- **Ethics**
- **Personnel**

**Civ - 9**

**Mil - 0**



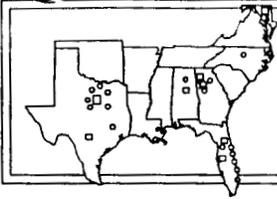
# **DCMD South**

## **Human Resources Directorate (-H)**

- **Classification and Pay Administration Functions**
- **Employee and Labor Relations**
- **Safety and Health Office**
- **Staffing Function**

**Civ - 45**

**Mil - 0**



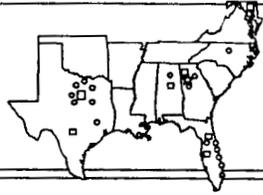
# **DCMD South**

## **Workforce Development Directorate (-J)**

- **Determines Developmental Needs of Workforce**
- **Manages Defense Acquisition Workforce Improvement Act**
- **Develops Training Courses**
- **Manages Training Budget**

**Civ - 18**

**Mil - 0**

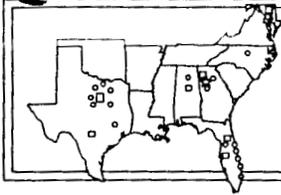


# **DCMD South**

## **Planning & Resource Management Directorate (-M)**

- **Administers Planning Process**
- **Resource/Budget Manager**
- **Administers Internal Management Control Program**
- **Liaison With DFAS**
- **Manages Reimbursable Reporting System**

**Civ -28  
Mil - 0**



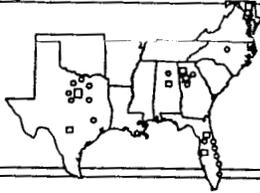
# **DCMD South**

## **Operations Support Directorate (-O)**

- **Deployment and Oversight of Contract Administration Policies, Plans, Programs and Procedures Within District South**
- **Consultative Support to CAOs and DCMC**
- **Technical Assistance to CAOs**

**Civ - 58**

**Mil - 2**



# DCMC Indicators and Initiatives

## Quality (Right Item)

Procas  
Early CAS  
Quality Assurance  
Engineering Assurance  
Quality Initiatives

## Responsiveness (Right Time)

DCMC Ontime Delivery  
Production Surveillance  
Property Administration

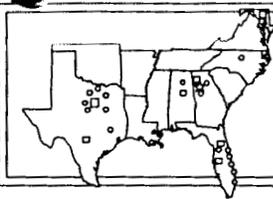
## Affordability

### Cost of Stuff (Right Price)

Overhead Strategy  
Preaward CAS Involvement  
Cancelling Funds/Contract  
Closeout Strategy  
Core Contract Administration  
Pricing and Negotiations  
Price Related Systems

### Cost of Ops (Right Oversight)

Reinvention Lab  
FEDCAS  
Program Integration  
Financial Performance  
Result  
End Strength Reduction



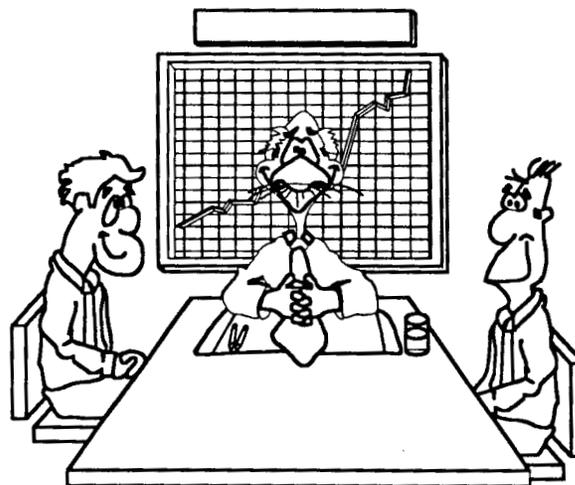
# Process Oriented Contract Administration Services (PROCAS)

Change to Survive -- Improve to Prosper  
Teamwork for Performance



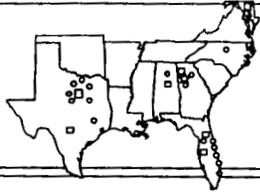
## COMPLIANCE

- ▶ Adversarial Environment
- ▶ Functionally Driven
- ▶ Regulated
- ▶ Task Oriented
- ▶ Reviews, Audits, Inspections
- ▶ Detection and Correction



## PROCESS

- ▶ Teaming
- ▶ Customer Focused
- ▶ Empowered
- ▶ Process Oriented
- ▶ Performance Based
- ▶ Prevention and Improvement



# Customer Focus Program

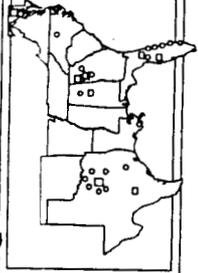
**FOCUS**

1066 Customers  
Surveyed, Including:

- Program Managers
- PCOs
- Technical Specialists
- Item Managers

Result -- Problem  
Areas Identified and  
Action Teams Initiated

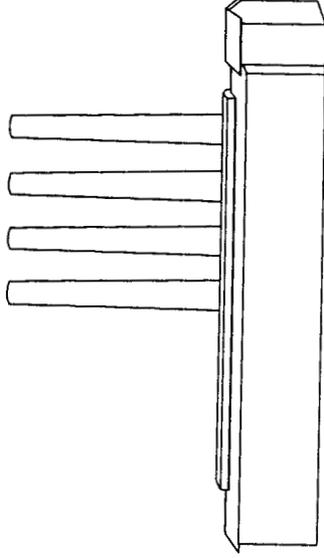
- Contract Close Out
- First Article Administration
- Contract Delivery Surveillance
- Negotiation of Delivery Extensions
- Manufacturing Process Surveillance
- Engineering Change Proposals
- Technical Support to Negotiations
- Product Quality Deficiency Report



# Environmental

## WHY THE CONCERN?

- Major clean-up costs developing
- Major OSD issue
- Customer concerns



## DCMC INITIATIVES

- 5 Pilot sites to determine cost and magnitude of the problem
- Develop an appropriate oversight policy

## GOALS

- Improved protection on government contracts
- Consistent cost allowance decisions
- Risk based system surveillance



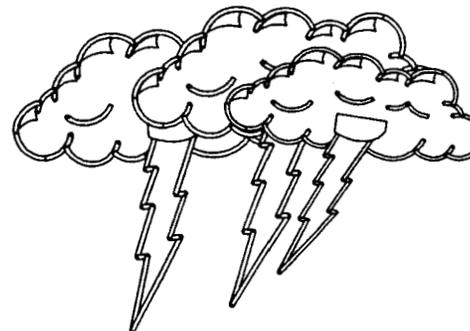
# "Early CAS" Involvement

## WHY THE CONCERN?

Need for . . .

- Better communications between buying activity and contract administration
- Better contracts
- Better predictions of contractor performance

## POTENTIAL CONTRACT PROBLEMS

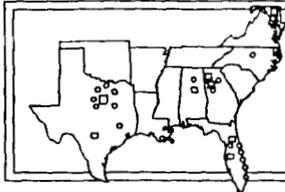


## DCMC INITIATIVE

- Partner with buying activities prior to contract award

## GOAL

- Improved contract execution



# Early CAS Involvement Examples

## REQUESTS FOR SUPPORT

OCHAMPUS (2)

WAR-MED Planning System

Marine Corps Advanced Amphibious Assault Vehicle

## COMMITMENTS

DoD High Performance Computing (HPC) Modernization Program

HARM

JSOW/BLU108

Department of Commerce, National Data Buoy

OCHAMPUS Financial Analysis Service

Multiple Launch Rocket System

Longbow Fire Control Radar (Lot 1 Production)

OCHAMPUS Region 3 & 4 Managed Care

Non Developmental Airlift Alternative (NDAA)

C130J

## COMPLETED

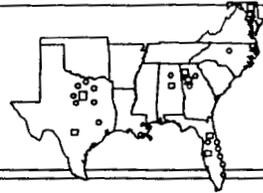
KC-135 Programmed Depot Maintenance

Secure Mobile Anti-Jam Reliable Tactical Terminal (SMART-T)

T-44/T-34 Training Aircraft

JSTARS Sirborne Battlefield Surveillance/Management Radar System

LANTIRN



# Business Strategy

- Offering Contract Management Expertise to All Federal Agencies

NASA

DEPT OF ENERGY

U.S. POSTAL SERVICE

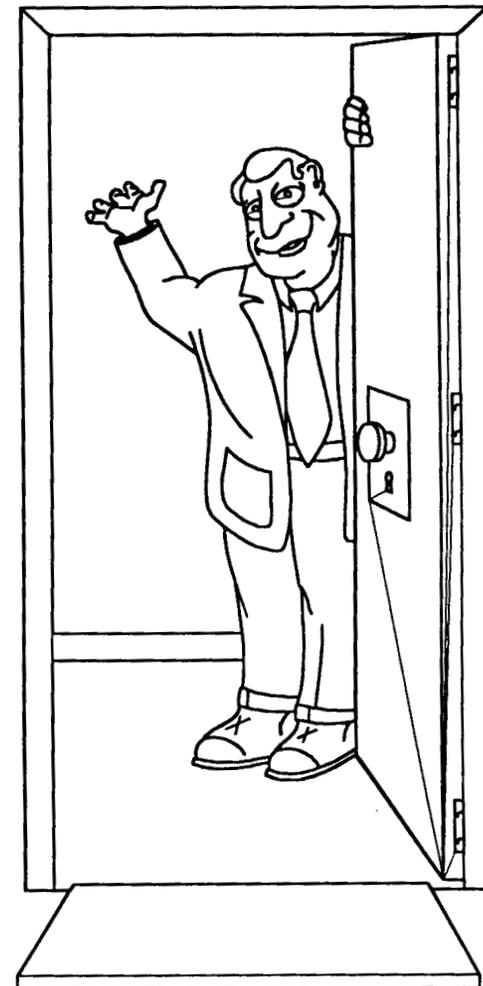
DEPT OF TRANSPORTATION

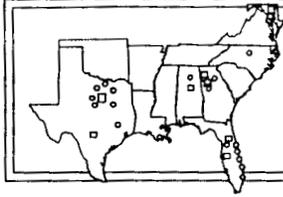
FEDERAL AVIATION ADM

DEPT OF TREASURY

STATE DEPARTMENT

GENERAL SERVICES ADM





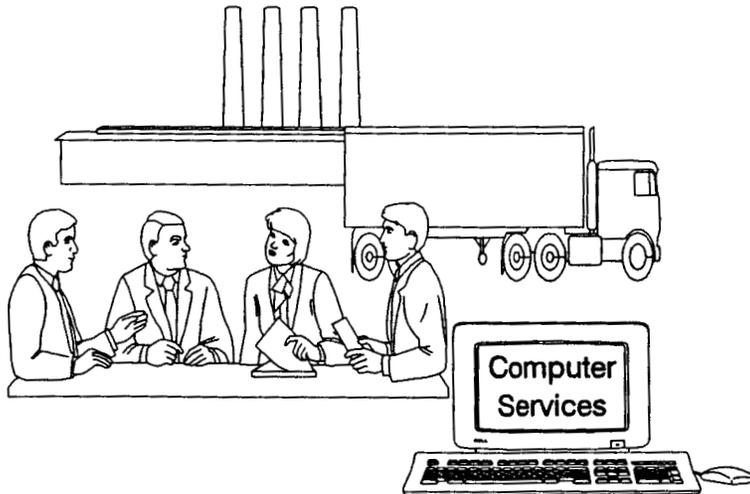
# Overhead

## WHY THE CONCERN?

- Downsizing business base
- Increasing contractor overhead rates
- Customer concern

## DCMC INITIATIVE

- Develop corporate overhead strategy



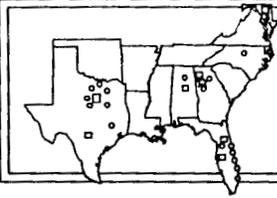
## GOAL

- Reasonable overhead rates
- Reduced overhead costs commensurate with reduced business base



# **DCMD South Institutionalizing Cultural Change**

- **1988 - Productivity Group  
Total Quality Management Steering Committee**
- **1989 - Commitment to Excellence**
- **1990 - Facilitators Trained**
- **1991 - Integrated Planning Process  
Vision Developed  
TQM for Managers  
TQM for Employees**
- **1992 - Milliken Visit  
Quality Improvement Prototype  
Leadership in Change**



# **DCMD South**

## **Institutionalizing Cultural Change**

- **1993 - Customer Surveys**  
**Personel Empowerment**  
**Government Performance & Results Act**  
**Performance Plan**
- **1994 - Unit Self Assessment**  
**DCMC Commanders Cup**  
**DCMC Quality Criteria Training**
- **1995 - Teambuilding**



## Summary

**DCMDS Headquarters Organized and Strategically Located to Support the Contract Administration Offices in Providing Effective and Efficient Contract Administration Services to Customers**

# ECONOMIC IMPACT DATABASE

Installation: **DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH**

State: **Georgia** Service: **DLA**

Report Note:  Comment:

Previous BRAC Actions: Year: **N/A**

Action: **UNAFFECTED** Mil:  Civ:  Contr:  Train:

**BRAC95 Inputs:**

Current Base Pers.: ff:  Enl:  Civ:  Contr:  Train:

Action: **REALIGNING**

	1994	1995	1996	1997	1998	1999	2000	2001
Military Pers. Relocated (OUT)	0	0	0	0	-3	0	0	0
Military Pers. Disestablished (OUT)	0	0	0	0	-2	0	0	0
Civilian Pers. Relocated (OUT)	0	0	0	0	-40	0	0	0
Civilian Pers. Disestablished (OUT)	0	0	0	0	-101	0	0	0
Contractor Personnel (OUT)	0	0	0	0	-23	0	0	0
Military Training Status (OUT)	0	0	0	0	0	0	0	0
Military Personnel (IN)	0	0	0	0	0	0	0	0
Civilian Personnel (IN)	0	0	0	0	0	0	0	0
Contractor Personnel (IN)	0	0	0	0	0	0	0	0
Military Training Status (IN)	0	0	0	0	0	0	0	0

# Defense Contract Management District, South

COBRA REALIGNMENT SUMMARY (COBRA v5.08) - Page 1/2  
 Data As Of 11:47 12/17/1994, Report Created 12:56 02/10/1995

Department : DLA  
 Option Package : DCMD31C  
 Scenario File : C:\COBRA508\DCMD31C.CBR  
 Std Fctrs File : C:\COBRA508\DCMD.SFF

Starting Year : 1996  
 Final Year : 1998  
 ROI Year : 1999 (1 Year)

NPV in 2015(\$K): -75,761  
 1-Time Cost(\$K): 3,818

Net Costs (\$K)	Constant Dollars		1998	1999	2000	2001	Total	Beyond
	1996	1997						
MilCon	0	0	0	0	0	0	0	0
Person	0	0	-1,935	-4,335	-4,335	-4,335	-14,941	-4,335
Overhd	585	438	-991	-1,720	-1,720	-1,720	-5,129	-1,720
Moving	0	0	1,911	0	0	0	1,911	0
Missio	0	0	0	0	0	0	0	0
Other	0	0	226	0	0	0	226	0
<b>TOTAL</b>	<b>585</b>	<b>438</b>	<b>-789</b>	<b>-6,055</b>	<b>-6,055</b>	<b>-6,055</b>	<b>-17,932</b>	<b>-6,055</b>

	1996	1997	1998	1999	2000	2001	Total
<b>POSITIONS ELIMINATED</b>							
Off	0	0	1	0	0	0	1
Enl	0	0	1	0	0	0	1
Civ	0	0	101	0	0	0	101
<b>TOT</b>	<b>0</b>	<b>0</b>	<b>103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103</b>

	1996	1997	1998	1999	2000	2001	Total
<b>POSITIONS REALIGNED</b>							
Off	0	0	3	0	0	0	3
Enl	0	0	0	0	0	0	0
Stu	0	0	0	0	0	0	0
Civ	0	0	40	0	0	0	40
<b>TOT</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43</b>

> 146

**Summary:**

Two districts  
 Disestablish South  
 507 positions- Max  
 POM (NE=54, S=54, W=54)

23 contracts      141 Civ  
                               5 Mil

146  
 25  
 ---  
 169

*Support of  
 personnel  
 overburden  
 makes additional  
 id's w/ checks*

2 200 in DCMDS - in South today  
 300 people

120 - North  
 122 - West

42 - stay  
 id's see work

237 people don  
 5 mil

54 rodia Pom - each will take  
 part of Pom  
 Rod  
 101 - Civ  
 2 mil  
 23 contract jobs

164 CIO  
5 Mil  
169

**Impacts:** Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 275 jobs (169 direct jobs and 106 indirect jobs) over the 1996-to-2001 period in the Atlanta, Georgia Metropolitan Statistical Area, which is less than 0.1 percent of the area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the area over the 1994-to-2001 period could result in a maximum potential increase equal to less than 0.1 percent of employment in the area.

The Executive Group concluded that the data did not present any evidence or indication that would preclude the recommended receiving communities from absorbing the additional forces, missions, and personnel proposed in the recommended realignment scenarios. The environmental considerations present at these installations do not prohibit this recommendation from being implemented.

**Defense Contract Management Command International (DCMCI)  
Dayton, Ohio**

**Recommendation:** Realign the DCMCI (Gentile AFS), Dayton, Ohio, and merge its mission into the Defense Contract Management Command Headquarters (DCMC HQ), Ft. Belvoir, Virginia.

**Justification:** The mission of the DCMCI is to provide command and control, including operational and management control and oversight, for 13 overseas Defense Contract Management Area Operations (DCMAO) offices located outside of the continental United States. The Command's mission could be performed from any locality. Military judgment concluded that merging the mission with the headquarters affords the opportunity to capitalize on operational and management oversight and to maximize use of shared overhead with DCMC. It also affords the opportunity to take advantage of the close proximity to the State Department and the international support infrastructure in Washington, DC, and surrounding areas. This decision is consistent with DLA BRAC 95 Decision Rules, the DCMC Concept of Operations and the Force Structure Plan.

**Return on Investment:** The total estimated one-time cost to implement this recommendation is \$3.1 million. The net of all costs and savings during the implementation period is a savings of \$8.7 million. Annual recurring savings after implementation are \$3.1 million with a return on investment expected in one year. The net present value of the costs and savings over 20 years is a savings of \$38.7 million.

## Economic Impact Data

**Activity: DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH**  
**Economic Area: Atlanta, GA MSA**

**Impact of Proposed BRAC-95 Action at DEFENSE CONTRACT MANAGEMENT DISTRICT SO**

Total Population of Atlanta, GA MSA (1992):	3,143,000
Total Employment of Atlanta, GA MSA, BEA (1992):	1,923,937
Total Personal Income of Atlanta, GA MSA (1992 actual):	\$68,667,765,000
BRAC 95 Total Direct and Indirect Job Change:	(275)
BRAC 95 Potential Total Job Change Over Closure Period (% of 1992 Total Employment)	0.0%

		1994	1995	1996	1997	1998	1999	2000	2001	Total	
Relocated Jobs:	MIL	0	0	0	0	(3)	0	0	0	(3)	
	CIV	0	0	0	0	(40)	0	0	0	(40)	
Other Jobs:	MIL	0	0	0	0	(2)	0	0	0	(2)	
	CIV	0	0	0	0	(124)	0	0	0	(124)	
BRAC 95 Direct Job Change Summary at DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH:											
	MIL	0	0	0	0	(5)	0	0	0	(5)	
	CIV	0	0	0	0	(164)	0	0	0	(164)	
	TOT	0	0	0	0	(169)	0	0	0	(169)	
										Indirect Job Change:	(106)
										Total Direct and Indirect Job Change:	(275)

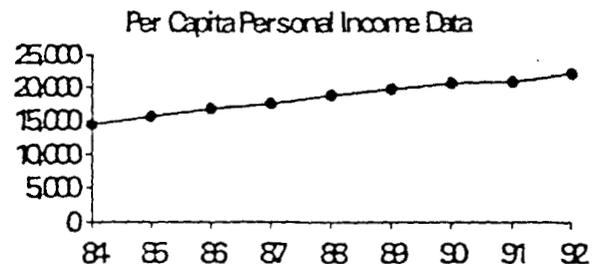
**Other Pending BRAC Actions at DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH (Previous Round)**

MIL	0	0	0	0	0	0	0	0	0	0
CIV	0	0	0	0	0	0	0	0	0	0

**Atlanta, GA MSA Profile:**

Civilian Employment, BLS (1993): 1,681,250

Average Per Capita Income (1992): \$21,849



**Annualized Change in Civilian Employment (1984-1993)**

Employment: 50,456  
 Percentage: 3.6%  
 U.S. Average Change: 1.5%

**Annualized Change in Per Capita Personal Income (1984-1992)**

Dollars: \$914  
 Percentage: 5.2%  
 U.S. Average Change: 5.3%

**Unemployment Rates for Atlanta, GA MSA and the US (1984 - 1993):**

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Local	4.9%	5.1%	4.7%	4.7%	5.2%	5.2%	5.2%	4.8%	6.6%	5.2%
U.S.	7.5%	7.2%	7.0%	6.2%	5.5%	5.3%	5.5%	6.7%	7.4%	6.8%

1 Note: Bureau of Labor Statistics employment data for 1993, which has been adjusted to incorporate revised methodologies and 1993 Bureau of the Census metropolitan area definitions are not fully compatible with 1984 - 1992 data.

## Economic Impact Data

**Activity: DEFENSE CONTRACT MANAGEMENT DISTRICT**

**Economic Area: Atlanta, GA MSA**

Cumulative BRAC Impacts Affecting Atlanta, GA MSA:

Cumulative Total Direct and Indirect Job Change:	<b>508</b>
Potential Cumulative Total Job Change Over Closure Period (% of 1992 Total Employ)	<b>0.0%</b>

		<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>Total</u>
<b>Other Proposed BRAC 95 Direct Job Changes in Economic Area (Excluding DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH)</b>										
Army:	MIL	0	0	0	0	0	0	0	0	0
	CIV	0	0	0	0	0	0	0	0	0
Navy:	MIL	0	0	0	0	0	319	0	0	319
	CIV	0	0	0	0	0	7	0	0	7
Air Force:	MIL	0	0	0	0	0	0	0	0	0
	CIV	0	0	0	58	0	0	0	0	58
Other:	MIL	0	0	0	0	0	0	0	0	0
	CIV	0	0	0	0	0	0	0	0	0

**Other Pending Prior BRAC Direct Job Changes in Economic Area (Excluding DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH)**

Army:	MIL	0	0	0	0	0	0	0	0	0
	CIV	0	0	0	0	0	0	0	0	0
Navy:	MIL	123	0	8	0	0	0	0	0	131
	CIV	0	0	1	0	0	0	0	0	1
Air Force:	MIL	0	0	0	0	0	0	0	0	0
	CIV	0	0	0	0	0	0	0	0	0
Other:	MIL	0	0	0	0	0	0	0	0	0
	CIV	0	0	0	0	0	0	0	0	0

**Cumulative Direct Job Change in Atlanta, GA MSA Statistical Area (Including DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH)**

MIL	123	0	8	0	(5)	319	0	0	445
CIV	0	0	1	58	(164)	7	0	0	(98)
TOT	123	0	9	58	(169)	326	0	0	347

Cumulative Indirect Job Change:	161
Cumulative Total Direct and Indirect Job Change:	<b>508</b>

CM

**Record of Discussion:**

**Date:** May 26, 1995

**Purpose:** To determine if there will be any information systems problems if the Defense Contract Management District South is closed and its worked merged into the remaining two offices.

**Person Contacted:** Tom Napp, DLA Senior IRM Official - (703) 274-6211

**Contacted By:** Marilyn Wasleski, Senior Analyst, Interagency

**Discussion:**

Mr. Napp was part of the BRAC Executive Group. I questioned him about the concerns that were raised by Ms. Berg and Mr. May of DLA. Mr. Napp said that there are always problems when you are working with big systems. Mr. Napp said that he is aware of the concerns and said that it is not a riskless process. He said that the letter which was sent to DISA on May 1 questioning DISA on how they plan to handle the transfer will help in answering the how to questions and the costs involved. Mr. Napp said that since DISA is a separate agency now, it will be a more involved process. He said that in about a month they should have a better feel on this issue.

What letter?  
from who?  
The letter was sent to DISA from DC 4 concerning the implementation of the BRAC recommendations

Mr. Napp feels that they will be able to resolve all of the technical problems with merging the three data systems into two. He also feels that this can be done cost effectively. He feels that they have enough experience to handle the situation. Mr. Napp said that there are some large files that concern them, but feel that they have enough smart people on board and contractors to handle any problem that will arise. Although, he stated again that there will be problems.

Mr. Napp said, at the moment, he could not give me information on how long it will take to fix the system or at what cost. He does feel that the costs will not be exorbitant, but costs will be higher than expected if they have to buy new hardware. He feels the costs will be around \$1 million.

Mr. Napp said that the problem is not with the system, but with the batch window, which ~~to fix~~ may require a hardware upgrade.

1 HOKA  
2 KMS  
3 ?  
DR  
Dense?

6/2

**Record of Discussion:**

**Date:** May 25, 1995

**Purpose:** To determine if there will be any information systems problems if the Defense Contract Management District South is closed and its worked merged into the remaining two offices.

**Person Contacted:** Ethel Berg, MOCAS AIS Administrator, (703) 274-7014

**Contacted By:** Marilyn Wasleski, Senior Analyst, Interagency

**Discussion:**

Note: The MOCAS (Mechanization of Contract Administration Services) system is used to pay and administer all of the defense contracts. It is one large data base that DFAS access to perform the contract payment function and the contract management users access to manage and administer the contracts. ES

Ms. Berg said that there will be problems with the merging of the three data bases into two with the closing of the Defense Contract Management District South. She said that she told the BRAC group that going from 5 to 3 offices was much different than going from 3 to 2. She said that a letter was sent on May 1 to all of the offices involved in this transition requesting information on how this will be handled, if it can be done, and at what cost. She said that right now they do not know how the system will be merged, what it will take, how long it will take, and at what cost. She said that it even conceivable that another mainframe would have to be purchased. L

I asked her if the system could just stay with three data bases. She said yes, but it would not be a good way to work.

Ms. Berg said that it is definite that the batch processing time will increase as a result of the merger of three data bases into two. She said that they are still having problems processing the data from DCMDW. One of the big problems with this is that DCMDW area expands three time zones. In addition, since the processing is done out of the megacenter in Columbus, the fourth time zone is involved. The problem is that the system cannot be on-line when the batch processing is performed. Therefore, it is difficult to accommodate everyone on-line with the different time zones and still allow enough off-line time for batch processing, which takes up to 11 hours. Currently, DCMDW has about 108,000 contracts in their system. If DCMDW is closed, this will add another 26,000 contracts. This, in turn, will increase the processing time. SPAMS

DCMDN's system currently has about 271,000 contracts. The closure of DCMDW will add another 112,000 contracts to their system. She feels that there is a real imbalance here that was not considered. She believes that DCMD North will not be able to process their work with this many contracts in their system. There will be too many contracts that have to be merged with the

383k

134k

system, and the system will not be able to handle it. She does not even think that the DCMD West system will be able to handle the merger.

Ms. Berg said some of the problems that could arise are that the user will not be able to access the system or if he/she does the response times will be slow. She feels that there will be performance degradation problems. In addition, DFAS will have similar problems.

Ms. Berg said that she asked the BRAC working group <sup>IF THEY TOOK</sup> ~~that~~ when they did their data calls, ~~did they take all of the technical issues into consideration~~. She said that she was told no. Ms. Berg said that she told them that it will not work like the last system merger. Ms. Berg said that she was told that these issues will be considered after the BRAC recommendation report is out. She was told that they did not have time to consider all of the issues.

*Robert is the copy?*  
Ms. Berg feels that the BRAC Working Group did not consider the total cost of doing business which includes the data base costs. (She said that when each office had their own system, it was not a problem. Then the information systems were centralized, <sup>AND</sup> ~~from~~ this central processing unit became ~~their~~ <sup>AS INDICATED IN DISCUSSION</sup> own agency.) The BRAC group said that this was not their problem and told the design office to handle the problems of merging the two systems. She said that DLA paid this agency \$26 million last year to process their data.

Ms. Berg said that even with the decline in the number of contracts, there will be problems with merging into two systems.

Ms. Berg further said that the Defense Payment and Personnel System will probably have problems, also.

In Ms. Berg's personal opinion, she feels that it is a mistake to close DCMD S because of the technical problems and ensuing performance degradation problems. She also feels that there will be problems because the span of control will be too large for only two offices to manage.

## ADDENDUM

Margie McManamay, DLA BRAC Working Group, called and asked why I was looking into this area, and why I did not come through them for an answer. She said that Ms. Berg's boss, Mr. Tom Napp, was on the BRAC Working Group and he said that there would be no problems with merging the data bases and the cost would not be that much. However, Ms. McManamay also said that the costs for this were not included in the COBRA because they did not know what they would be. She said that the letter Ms. Berg referred to was sent out, so that they could tie down the costs and determine how the systems will be merged. She said a response was received but all of their options were not fully answered. She said they plan to go back to them with another letter to find out why they did not address all of the options presented. She said that the BRAC analysis did not allow enough time for them to do a full blown analysis of the cost and implementation issues. I asked Ms. McManamay for Mr. Napp's phone number. ~~Although she~~

+ RECEIVED.

finally gave it to me, her initial response was that he will not want to talk to me since he is an  
SESer.

CR

**Record of Discussion:** Defense System Design Center

**Date:** May 25, 1995

**Purpose:** To determine if there will be any <sup>Information</sup> ~~DEAS~~ systems problems if the Defense Contract Management District South is closed and its worked merged into the remaining two offices.

**Person Contacted:** John May, Defense System Design Center, (614) 692-9206

**Contacted By:** Marilyn Wasleski, Senior Analyst, Interagency

**Discussion:**

Mr. May felt that there will be problems with the Defense Contract Management District's information system if the Defense Contract Management District South is closed. This is because the information system---MOCAS (Mechanization of Contract Administration Services)--is presently operating almost at its limits today. He said that the system works in two steps--on-line during the day and batch processing at night. ~~And you cannot operate the batch processing system~~ at the same time as the on-line system.

They have a great number of contracts in there.

because the system works 24 hours a day

3  
MDS?

Mr. May said that with the ~~three~~ systems running today it is taking 10 to 11 hours for batch processing. If one system is removed, this will increase the batch processing time to 13 to 14 hours or even more. He said that they just don't know yet what the impact will be, other than knowing it will increase. What this increase means is that the user will have less time on-line. He said that even if you ~~would~~ <sup>is</sup> shut down the system at 4 pm or 5 pm, ~~you~~ <sup>it</sup> would still not be able to have the system back on line until way into the next morning. He said that you really don't know what the limit of the systems will be until you try it. One reason being is that the contracts are all of varying size.

AVAILABLE

SO WHAT'S CHANGED

Mr. May said that he has had discussions with the technical people on how this will be handled. All they have been able to say to date is that it will not be easy, if it can be done at all. He said that one could just maintain the three systems, but if, for example, the Commander at DCMDN wants to see his entire workload, he would have to access two separate questions. In addition, the users would have to work with two separate systems, which can cause problems.

Mr. May said that they will have problems with their file sizes. Currently, there are two major data base files--the ship records file and the financial history of the contracts. He said that both of these files are pushing their limit in regards to what the IBM system can handle. Currently, the system was designed to handle 65,000 tracks. And, this is a new system. It is only about 4 years old. He said the problem is that the technology will stop you.

what are they handling now?

Mr. May explained that there are many technical problems that would have to be worked out. He thinks that it would take about a year to get it down to two systems without affecting the user, but he was not sure. He said that he was concerned that it could be done at all without affecting

the user and the batch scheduling process. He said that there is also a cost involved with merging the two systems, but he was not able to give me an estimate of these costs.

Mr. May said that they are still working on bringing on all the Air Force service contracts into the MOCAS system. He said that when you consolidate systems, they just become larger. You just don't merge systems overnight like you can close an office.

Mr. May for more information on the system problems <sup>see</sup> to contact Ethel Berg at (703) 274-7014.



## **NOBIS ENTERPRISES**

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June 12, 1995

Ms. Marilyn K. Wasleski  
Senior Analyst, Defense Base Closure  
and Realignment Commission  
1700 N. Moore Street  
Washington, D.C. 22209

Re: Proposed closure of DCMD-S Atlanta

Dear Ms. Wasleski:

I write to thank you for allowing The Tommy Nobis Center to address you and your colleagues on May 22, 1995 at DCMD-S. I fully appreciate the gravity of your task. Of course we all desire lower defense spending and for the federal government to balance its budget- that is until it impacts us personally, then it becomes an entirely different matter. Nobis Enterprises, which I serve as Chair of the Board of Directors, now finds itself in the position of lobbying to preserve jobs for its clients which are impacted if the decision is made to close all or part of DCMD-S.

From my brief presentation and the brochures I presented, you are aware of of the services we provide to DCMD-S. We provide personnel in janitorial, mail, and supply functions and have been doing so for a significant number of years. If DCMD-S were to close, two-thirds of our workforce would be unemployed. Obviously, we hope to avoid such a fate for our clients. While we appreciate your task, we ask you to consider not only the DCMD-S employees, but the employees of Nobis Enterprises as well, when considering the elimination of DCMD-S in Atlanta.

Thank you again for the opportunity to visit with you. Best wishes to you in your decision-making process.

Very truly yours,

  
Jeffrey B. McClellan  
Chair, Nobis Enterprises



THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION  
1700 NORTH MOORE STREET SUITE 1425  
ARLINGTON, VA 22209  
703-696-0504

June 15, 1995

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:  
AL CORNELLA  
REBECCA COX  
GEN J. B. DAVIS, USAF (RET)  
S. LEE KLING  
RADM BENJAMIN F. MONTOYA, USN (RET)  
MG JOSUE ROBLES, JR., USA (RET)  
WENDI LOUISE STEELE

Major General George T. Babbitt, USAF  
Principal Deputy Director  
Defense Logistics Agency  
Cameron Station  
Alexandria, VA 22304-6100

Dear General Babbitt:

The COBRA for the Defense Contract Management District West shows a one time cost of \$10.3 million, with \$3.6 million or 35% attributed to program planning support and mothball shutdown. These numbers seem high.

To assist the Commission in its analysis, please provide a detailed breakout of these costs.

In addition, please provide the number and dollar value of contracts for each district office, both presently and as they would be distributed under the DoD recommendation. Please also provide the out year projection for the two offices under the DoD recommendation.

Because the Commission is nearing final deliberations, please provide the requested data by COB June 19, 1995.

Thank you in advance for your assistance. I appreciate your time and responsiveness. If your staff has any questions about this request, they should contact Marilyn Wasleski or Ty Trippet of the Commission staff.

Sincerely,

Robert Cook  
Interagency Issues Team Leader



**DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
CAMERON STATION  
ALEXANDRIA, VIRGINIA 22304-6100**



IN REPLY  
REFER TO CAAJ(BRAC)

19 JUN 1995

Mr. Robert Cook  
Defense Base Closure and Realignment Commission  
1700 North Moore Street, Suite 1425  
Arlington, VA 22209

Dear Mr. Cook:

The following information is provided in response to your letter of 15 June 1995.

a. Defense Contract Management District West (DCMDW) - Your letter indicates that the \$3.7 million attributed to program planning support and mothball shutdown is 35 percent of the one-time cost reflected in the COBRA model and appears to be too high.

The projected one-time cost of \$10.3 million is comprised of \$4.1 million for building purchase, \$1.2 million for purchase of systems furniture, \$1.3 million for building renovations, and \$3.7 million for program planning support and mothball shutdown. The program planning and support costs were calculated using the standard algorithm that the Cost of Base Realignment Action model uses. Detailed information concerning the calculation is at enclosure 1. The factor of 10 percent used in the calculation of the Progress Payment System costs was mandated by the Office of the Secretary of Defense, per Policy Memorandum Number 3.

b. The workload data at enclosure 2 is provided in response to your letter. The three Districts are intermediate headquarter organizations which provide command and control and support services to the Contract Administration Offices (CAOs). We recommend the number of CAOs be used as the primary indicator in your analysis. In September 1994 there were 90 CAOs. We are projecting 79 CAOs by September 1995 and expect only 64 will remain by 2001. This was a major factor in the decision to eliminate a District.

CAAJ(BRAC) PAGE 2  
Mr. Robert Cook

15 JUN 1995

c. Per telecon between yourself and Mrs. McManamay of my staff, correspondence concerning the General Services Administration (GSA) leased costs is attached as enclosure 3. Please note, GSA indicated future rental rates will be based on market comparables and the condition of the property at the time DLA seeks to lease. Therefore, GSA will not project rental rates for the future.

Sincerely,



RAY E. MCCOY  
Major General, USA  
Principal Deputy Director

3 Encl

DCMD West move from El Segundo

Program, Planning & Support Costs + Mothball Costs

BOS Payroll (\$Million)	BOS Nonpayroll (\$Million)	Program, Planning & Support factor 10%	Personnel Moving	Personnel Starting
10.136	4.397		253	285

First year cost: (BOS Payroll + BOS Nonpayroll) X Prog, Plan & Supt Factor X (Moving/Starting)

Second year cost = First year cost X 75%

Third year cost = Second year cost X 75%, etc. until final year of closure.

	1996 (\$M)	1997 (\$M)	1998 (\$M)	1999 (\$M)	2000 (\$M)	2001 (\$M)	Total (\$M)
Prog, Plan & Supt	1.290122	0.967591842	0.725694	0.54427			3.527679

Mothball Cost = \$1.25 per square foot closed

DCMDW= 125,000 square feet

Mothball cost = \$156,250

DEFENSE CONTRACT MANAGEMENT DISTRICTS (DCMD) WORKLOAD

CONTRACT ADMINISTRATION OFFICES:

	SEPT 94	JUN 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	25	25	22	21	21	0	0	0	0
DCMDN	35	36	31	29	28	39	37	35	35
DCMDW	30	28	26	25	25	32	31	29	29
<b>SUBTOTAL CONUS</b>	<b>90</b>	<b>89</b>	<b>79</b>	<b>75</b>	<b>74</b>	<b>71</b>	<b>68</b>	<b>64</b>	<b>64</b>
DCMCI	13	13	13	13	11	10	9	8	7
<b>TOTAL</b>	<b>103</b>	<b>102</b>	<b>92</b>	<b>88</b>	<b>85</b>	<b>81</b>	<b>77</b>	<b>72</b>	<b>71</b>

NUMBER OF CONTRACTS ON HAND:

	SEPT 94	APR 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	143,193	134,301	125,000	120,000	111,000				
DCMDN	143,505	135,573	133,000	131,000	129,000	214,000	212,000	210,000	208,000
DCMDW	103,326	95,858	93,000	91,500	90,000	111,000	109,000	107,500	106,000
<b>SUBTOTAL CONUS</b>	<b>390,024</b>	<b>365,732</b>	<b>351,000</b>	<b>342,500</b>	<b>330,000</b>	<b>325,000</b>	<b>321,000</b>	<b>317,500</b>	<b>314,000</b>
DCMCI	5,000	5,026	4,900	4,700	4,500	4,400	4,200	4,100	4,000
<b>TOTAL</b>	<b>395,024</b>	<b>370,758</b>	<b>355,900</b>	<b>347,200</b>	<b>334,500</b>	<b>329,400</b>	<b>325,200</b>	<b>321,600</b>	<b>318,000</b>

UNLIQUIDATED \$ OBLIGATED (Billions):

	SEPT 94	APR 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	\$37	\$33	\$33	\$32	\$32	\$0	\$0	\$0	\$0
DCMDN	\$36	\$32	\$32	\$31	\$31	\$57	\$57	\$57	\$57
DCMDW	\$73	\$70	\$70	\$69	\$69	\$75	\$73	\$73	\$73
<b>SUBTOTAL CONUS</b>	<b>\$146</b>	<b>\$135</b>	<b>\$135</b>	<b>\$132</b>	<b>\$132</b>	<b>\$132</b>	<b>\$130</b>	<b>\$130</b>	<b>\$130</b>
DCMCI	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$2	\$2
<b>TOTAL</b>	<b>\$149</b>	<b>\$138</b>	<b>\$138</b>	<b>\$135</b>	<b>\$135</b>	<b>\$135</b>	<b>\$133</b>	<b>\$132</b>	<b>\$132</b>

OBLIGATED \$ VALUE (Billions):

	SEPT 94	APR 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	\$233	\$235	\$232	\$228	\$220	\$0	\$0	\$0	\$0
DCMDN	\$271	\$268	\$266	\$260	\$250	\$410	\$382	\$370	\$364
DCMDW	\$387	\$385	\$380	\$375	\$365	\$390	\$383	\$360	\$338
<b>SUBTOTAL CONUS</b>	<b>\$891</b>	<b>\$888</b>	<b>\$878</b>	<b>\$863</b>	<b>\$835</b>	<b>\$800</b>	<b>\$765</b>	<b>\$730</b>	<b>\$702</b>
DCMCI	\$11	\$11	\$11	\$10	\$10	\$9	\$9	\$8	\$8
<b>TOTAL</b>	<b>\$902</b>	<b>\$899</b>	<b>\$889</b>	<b>\$873</b>	<b>\$845</b>	<b>\$809</b>	<b>\$774</b>	<b>\$738</b>	<b>\$710</b>

Encl 2.

General Services Administration, Region 5  
230 South Dearborn Street  
Chicago, IL 60604-1503

JUN 9 1993

JUN 17 1993

Office of Installation Services  
Environmental Protection  
Department of Defense  
Logistics Agency-DLSC  
1400 Washington Avenue  
Battle Creek, Michigan 49017-3084

Dear Ms. Shipe:

This is in reference to your March 26, 1993 letter concerning the proposed Base Realignment and Closure action which would relocate the Defense Reutilization and Marketing Service (DRMS) and the Defense Logistics Service Center (DLSC) from the Battle Creek Federal Center.

GSA agreed to re-evaluate the Rent rates charged at the Federal Center and we recently contracted for an independent valuation by a private appraiser from Battle Creek. This re-evaluation resulted in establishing new, lower rates for space at the Federal Center. Retroactive to October 1, 1992, the Federal agencies' bills will be adjusted, based on an office rate of \$9.50 per square foot and a warehouse space rate of \$2.50 per square foot. This will result in less income to GSA's Federal Building Fund in the current fiscal year (Fiscal Year 1993) through the next national reappraisal cycle (Fiscal Year 1997), but GSA is willing to make the adjustment.

The annual CPI adjustments prescribed by GSA's national Federal Buildings Fund procedures will still be applicable for Fiscal Years 94 through 96, and these adjustments will be calculated from the new \$9.50 per square foot office rate.

Due to the significance of DOD tenancy at the Federal Center, we must continue the current suspension of the major, multi-million dollar modernization project until a final BRAC decision is made. If a decision is made to retain DOD functions in Battle Creek and if GSA is then able to proceed with the modernization project, there could be some impact on the rental rate charged in future years. The extent of any future adjustment will not be identified until the next Federal Building Fund reappraisal cycle, beginning in Fiscal Year 1997; however, the rate would be based on market comparables and the condition of the property at that time.

Sincerely,

KENNETH J. KALSCHIER  
Acting Regional Administrator

Post-It™ brand fax transmittal memo 7671		# of pages > 14
To	JOHN DAVIS	
From	EDNIE HUBBARD	
Co.	DLSC-W	
Dept.	MMDI	
Phone #	932-4965	
Fax #	284-8650	932-4577

Faxed to DLA 6/30/93.  
(Ski Shelton)  
6/15/93 8

**Inter-Office Memorandum**

Mr. Thurber

11 7 JUN 1994

IN REPLY  
REFER TO CAAJ(BRAC)/MMDI(John Davis/47146)

BRAC

SUBJECT: GSA Rent Structure for the Federal Center - COMMAND BRIE. *JLD* 6/17/94

To:

DD

*D 6-20-94**Agree w/ your  
RECOMMENDATION!**JLD*

1. This Command Brief is in response to your question regarding further definition of the rent structure for the Federal Center in Battle Creek, MI.
2. Enclosure 1 provided GSA's most current rental structure for the Federal Center out to FY96. The contents of enclosure 1 are summarized below:
  - a. The FY 93 rent rate is based on a GSA "re-evaluated" rate of \$9.50 per square foot of office space and \$2.50 per square foot of warehouse space.
  - b. The FY 94 - FY 96 adjustments would be based only on changes to the consumer price index.
  - c. The extent of future adjustments will not be known until the beginning of FY 97 with the next GSA Federal Building Fund reappraisal cycle.
3. We verbally requested GSA further define the rent structure for FY 97 to FY 04. We were advised that a firm estimate was "virtually impossible" to project. GSA said that if a written request was received, an estimate beyond FY 97 could be provided. However, the estimate would be conservative due to the uncertainties involved with such a projection. A written request for additional projections of the rent structure is provided at enclosure 2.
4. Using projected GSA rental rates for BRAC involves removing current rent rates from BOS costs included in PLFA certified COBRA data, and manually inputting the GSA projected costs in a separate COBRA screen. This action results in incremental changes to the costs/savings until year six, depending on the study. After year six, the value is treated as a constant.
5. The following options are available relative to Federal Center rental structure for potential BRAC studies:
  - a. Use the current lease costs as certified by the field activity as COBRA input data for any possible studies. This is the recommended option.

OK

*JLD*

6-20-94

13 7 JUN 1984

SUBJECT: GSA Rent Structure for the Federal Center - COMMAND BRIEF

b. Manually input annual projected rental costs by year into the appropriate COBRA screen using a rate structure provided by GSA. As noted above, the data is based on uncertain GSA estimates, and is therefore not recommended.

c. Manually input annual projected rental costs by year into the appropriate COBRA screen using a rate structure based on DLA estimates. This would be an uncertain DLA projection of GSA rental structure. Therefore, this method is not recommended.

6. We discussed the rent structure projections and options with the DoDIG.

*(They did not express a preference)*

2 Encl

  
GARY S. THURBER  
Deputy Director  
(Corporate Administration)

*MFL: ① Based on the selected option, no need to send encl 2.*

*② Discussed with Jack F on 6/27. BOS costs in the 931 account will capture GSA rent. Jack was covered in his data call.*



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
CAMERON STATION  
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY  
REFER TO CAAJ(BRAC)

1 JUN 1995

Honorable Alan J. Dixon  
Chairman  
Defense Base Closure and Realignment Commission  
1700 North Moore Street, Suite 1425  
Arlington, VA 22209

Dear Mr. Chairman:

It has come to our attention that there is an issue relative to consolidation of the Defense Contract Management District South's contract data bases with the remaining two districts. These data bases contain detailed contract information, such as contractor names, type of contract, items on order, schedule delivery dates, and payment data.

The District South Headquarters is an intermediate headquarters organization. It has cognizance of Contract Administration Offices which actually administer contracts and use the data bases to perform their operational contract administration functions. To them, disestablishment of District South will have no impact on the data bases and their ability to perform their mission. Today we have a separate data base for each of the three Districts. Several employees in District South do not believe it is possible to consolidate their data base with the others. They believe that to consolidate their data base into the remaining two could entail substantial expense to purchase new ADP equipment. However, their assertion is incorrect. They are not aware that the DLA recommendation to disestablish South presumed from the beginning the retention of the three data bases. As a result, the COBRA model does not reflect costs for modifying the data bases or for purchase of new equipment.

The District South, in its role as an intermediate headquarters organization, receives summary reports of data base information for all offices within its geographical area of responsibility. These reports are also used for reporting purposes and as management tools. With disestablishment of District South, the remaining two Districts will be receiving multiple reports which will likely be consolidated manually until implementation of the DoD Standard Procurement System.

Sincerely,

*George J. Babbitt*  
GEORGE J. BABBITT  
Major General, USAF  
Principal Deputy Director

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL		# of pages ▶ 1
To: Bob Cook	From: DLA	
Dept: BRAC Comm.	Phone #: 274-4396	
Fax #: 696-0550	Fax #: 274-3966	
NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION		



Quality services and support  
for persons with disabilities

May 26, 1995

Ms. Marilyn K. Wasleski  
Senior Analyst  
1700 N. Moore St., #1425  
Arlington, VA 22209

Dear Ms. Wasleski:

I wanted to follow up on our presentation concerning the impact of the closing of Defense Contract Management District South (DCMD-S) on our employees with disabilities. I am enclosing a copy of my comments as well as those of our Director Jeff McClellan. Hopefully, the statistics and information will be helpful to you and other decision-makers.

I do appreciate your taking your time to come to Georgia and listen to our concerns and the facts related to the potential impact of the closure. Thanks for listening.

Sincerely,

Connie Kirk  
President

scs

Enclosure

cc Jeff McClellan

## DCMD-S / BRAC HEARING

- ▶ Thank you for opportunity to speak
- ▶ Difficult decisions of cost cutting
- ▶ TNC and Nobis Enterprises have proven the value of government set-aside contracts for employment of persons with disabilities
- ▶ Since 1982, NE has been serving DCMD-S in janitorial, mailroom & warehouse services
- ▶ Good, dependable employees--some still with us after 13 years
- ▶ Employs: 17 PWD
  - 5 Persons without disabilities
  - 3 Working supervisors
  - 25 persons TOTAL**
- ▶ NE has total of 33 employees--25 at DCMD-S
- ▶ If DCMD-S closes, 76% of NE will lose jobs
- ▶ NE government contracts have DUAL purpose
  - employment for persons who can not work in competitive jobs
  - reducing expense to government by employing person who had been on public assistance programs
  - NE Associate employees paid \$108,000 in taxes and \$146,000 in reduced public assistance totaling \$254,000
  - Total contract: \$497,000
    - 52% return on investment
- ▶ Very valuable program from a financial and people investment
  - Robert Hershey recognized as 1993 National Employee of Year by NISH (National Industries for the Severely Handicapped)
- ▶ Difficult decisions but we ask that you consider the impact on PWD and the value of this program to our government

## C. Kirk

- ▶ Introduce self
- ▶ Regret for Tommy
- ▶ Introduce Jeff, Volunteer with Legal Department of Life of Georgia and NE Chairman
- ▶ TNC and NE have enjoyed working with many fine civil and military employees.
- ▶ NE employees have proven our value both in performance and cost benefits.
- ▶ Know your difficult decisions will be made in the best interest of our country as a whole.
- ▶ If the decision to close the district office must be made, we hope that you and Col. Guta will consider contracting with NE for continued janitorial, mailroom and warehouse services. We realize many DCMDS jobs will be negatively impacted. We hope that Col Guta and his staff will consider improved career paths for some of your employees and allow our employees who have difficulty competing for jobs to replace those who are seeking other career paths.
- ▶ Please allow us to work with you to find opportunities in the remaining operations to insure continued employment for our 25 employees.
- ▶ Thank you for your interest and time.

EXECUTIVE CORRESPONDENCE TRACKING SYSTEM (ECTS) # 95060124

FROM: <u>WUNN, Sam</u>	TO: <u>DIXON</u>
TITLE: <u>SENATOR (GA)</u>	TITLE: <u>CHAIRMAN</u>
ORGANIZATION: <u>U.S. CONGRESS</u>	ORGANIZATION: <u>DIBCRC</u>
INSTALLATION (S) DISCUSSED: <u>DEF CONTRACT MANAGEMENT DISTRICT SOUTH</u>	

OFFICE OF THE CHAIRMAN	FYI	ACTION	INT	COMMISSION MEMBERS	FYI	ACTION	INT
CHAIRMAN DIXON				COMMISSIONER CORNELLA	✓		
STAFF DIRECTOR	✓			COMMISSIONER COX	✓		
EXECUTIVE DIRECTOR	✓			COMMISSIONER DAVIS	✓		
GENERAL COUNSEL	✓			COMMISSIONER KLING	✓		
MILITARY EXECUTIVE				COMMISSIONER MONTOYA	✓		
				COMMISSIONER ROBLES	✓		
DIR./CONGRESSIONAL LIAISON		Ⓢ		COMMISSIONER STEELE	✓		
DIR./COMMUNICATIONS				REVIEW AND ANALYSIS			
				DIRECTOR OF R & A	✓		
EXECUTIVE SECRETARIAT				ARMY TEAM LEADER			
				NAVY TEAM LEADER			
DIRECTOR OF ADMINISTRATION				AIR FORCE TEAM LEADER			
CHIEF FINANCIAL OFFICER				INTERAGENCY TEAM LEADER		X	
DIRECTOR OF TRAVEL				CROSS SERVICE TEAM LEADER			
				<u>HL</u>	✓		
DIR./INFORMATION SERVICES							

**TYPE OF ACTION REQUIRED**

<input checked="" type="checkbox"/>	Prepare Reply for Chairman's Signature		Prepare Reply for Commissioner's Signature
	Prepare Reply for Staff Director's Signature		Prepare Direct Response
X	ACTION: Offer Comments and/or Suggestions	✓	FYI

Subject/Remarks:

FORWARDING LETTER FROM MR STEPHEN CARL, WHO IS EXPRESSING CONCERN OVER DECISION TO CLOSE FACILITY.

Due Date: <u>950603</u>	Routing Date: <u>950601</u>	Date Originated: <u>950501</u>	Mail Date:
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STROM THURMOND, SOUTH CAROLINA, CHAIRMAN

JOHN W. WARNER, VIRGINIA  
WILLIAM S. COHEN, MAINE  
JOHN MCCAIN, ARIZONA  
THOMAS LOTT, MISSISSIPPI  
DAN COATS, INDIANA  
BOB SMITH, NEW HAMPSHIRE  
DIRK KEMPTHORNE, IDAHO  
KAY BAILEY HUTCHISON, TEXAS  
JAMES M. INHOFE, OKLAHOMA  
RICK SANTORUM, PENNSYLVANIA

SAM NUNN, GEORGIA  
J. JAMES EXON, NEBRASKA  
CARL LEVIN, MICHIGAN  
EDWARD M. KENNEDY, MASSACHUSETTS  
JEFF BINGAMAN, NEW MEXICO  
JOHN GLENN, OHIO  
ROBERT C. BYRD, WEST VIRGINIA  
CHARLES S. ROBB, VIRGINIA  
JOSEPH I. LIEBERMAN, CONNECTICUT  
RICHARD H. BRYAN, NEVADA

RICHARD L. REYNARD, STAFF DIRECTOR  
ARNOLD L. PUNARO, STAFF DIRECTOR FOR THE MINORITY

# United States Senate

COMMITTEE ON ARMED SERVICES  
WASHINGTON, DC 20510-6050

May 1, 1995

The Honorable Alan J. Dixon  
Chairman  
Base Closure and Realignment Commission  
Suite 1425  
1700 N. Moore Street  
Arlington, Virginia 22209

950601-24

Dear Chairman Dixon:

I have been contacted by a constituent, Mr. Stephen Carl, regarding the proposed disestablishment of the Defense Contract Management District South (DCMDS) at Dobbins Air Force Base in Marietta, Georgia, and the continuation of operations at DCM offices in Los Angeles and Boston. A copy of Mr. Carl's letter is enclosed for your review.

As you will see, Mr. Carl has raised valid concerns regarding the cost of the proposed changes and the military value such changes would yield. I have received additional letters from Georgians associated with DCMDS who have expressed similar concerns. Consistent with your established guidelines and procedures, I would appreciate your keeping in mind the concerns raised by Mr. Carl as you and the members of the Commission continue your deliberations as part of the 1995 base closure round.

Thank you for your kind attention to this matter.

Sincerely,



Sam Nunn

Stephen P. Carl  
2110 Northfield Court  
Marietta, GA 30066

March 9, 1995

Senator Sam Nunn  
303 Senate Dirksen Office Building  
Washington, DC 20510-1001

CORRESPONDENCE # 623857  
ID # 320566  
INDIVIDUAL CODE \_\_\_\_\_  
INTEREST CODE \_\_\_\_\_  
COMMENTS \_\_\_\_\_

Dear Senator Nunn:

I am certain you will be receiving mail about the recent BRAC announcement some of which will be pleased that Georgia has escaped relatively unscathed from the axe. Unfortunately, DOD-DLA-DCMC have placed the Defense Contract Management District South (DCMDS) HQ on the list to be dis-established in favor of leaving Los Angeles (DCMDW) and Boston (DCMDN) as the two surviving domestic arms for contract management. Although we have previously survived cuts and consolidations beginning soon after creation in 1965, it appears that survival this time is remote at best. Yet Admiral Straw has written that he is not in favor of consolidation for the sake of consolidation in either his role as DLA Director or as Coordinator of the Defense Performance Review. Puzzling!

However, I believe that the criteria used to reach this decision, while described by DoD as fair, open, objective and impartial, are significantly flawed. This is true regardless of whether the objective is stated in terms of "military value" or "cost." Let me explain what I mean by this and then ask for your help, either within the early part of the process during the Commission's investigations and deliberations or within the White House and the Congress.

1. Cost: DCMDS is located in Air Force-owned property at Dobbins AFB while DCMDN is in questionable space in Boston. The area in Marietta where DCMDS is located is very safe while the area in Boston requires a security guard to constantly patrol the fenced-in parking area for employees - essentially this is a very unsafe area of Boston. Boston is an extremely high cost area for federal employees to relocate to for everything ranging from real estate to transportation which makes recruitment very difficult. Atlanta is the very opposite of the latter. (For example: Median house prices in Boston - around \$240,000; Atlanta - around \$100,000.) Operational costs to reach the customers (contractors) for half the country is higher from Boston than from Atlanta due primarily to the more central location of the latter and the far better air connections from Atlanta's Hartsfield International Airport than Boston's Logan. It seems incongruous that DoD would move in the opposite direction from the private sector in consolidating operations in the far northeast corner of the country when virtually all considerations have favored movement into the South and West. In fact, I believe it to be anachronistic.

2. Military Value: The primary reason for DCMDS' or any DCMC activity's existence is to administer and manage Government contracts in privately-owned plants and facilities although the mission has been expanded in recent years to include Government-owned Contractor-operated (GOCO) facilities formerly managed by the Services. NASA and other non-DoD contract business is also conducted by DCMC activities. The question which should be asked regarding military value is "How can DCMC most efficaciously serve the national defense?" I believe that it is best served by being as close in terms of time and distance to the contracts being administered as possible. DCMDS at Dobbins AFB outside Atlanta is 2 hours from any destination in the eastern two-thirds of the continental U.S. Change of planes to get to those destinations is rarely needed. Customers on both sides of the DCMC world - the procuring activities and the contractor producing the goods or services - are by far and away most efficaciously served by DCMDS' location.

I can only conclude that DCMDS was scrapped by DoD/DLA/DCMC because, politically, it was the easiest to do. It is the smallest of the three CONUS Districts; Lockheed at Air Force Plant 6 has expressed a desire to reclaim the vastly-improved (at taxpayer expense) office space occupied by DCMDS; Georgia's primary military bases have been largely spared by this BRAC DoD list, making it highly unlikely that Georgia's Congressional delegation would raise the issue of a small, largely unknown agency's closure of a 235-space headquarters. The criteria listed are nebulous enough to allow the results for BRAC determinations to be skewed anyway that DCMC and DLA care to do so.

Please consider the gist of this letter before sending it to DoD-DLA-DCMC for a "Congressional Inquiry." The normal bureaucratic response will simply provide you and me with the usual self-justifying answers that support the already-made decision. Taxpayer, national security, military value; all of these will be best served if, at the very least, the BRAC Commission adds DCMDS in Boston and DCMDS in Los Angeles to the list for an independent and, hopefully, objective comparative analysis and evaluation. Please consider carefully this aspect of DoD's preliminary BRAC list before you dismiss it. Overall, the decision makes very little common sense, regardless of the so-called "open, fair and objective" criteria used to base the decision.

Your assistance and attention to this matter is greatly appreciated as has been your assistance on similar matters in the past.

Sincerely,



STEPHEN P. CARL  
Safety & Occupational Health  
Manager

EXECUTIVE CORRESPONDENCE TRACKING SYSTEM (ECTS) # 950602-7

FROM: <u>BABBITT, GEORGE</u>	TO: <u>DIXON</u>
TITLE: <u>PRINCIPAL DEP. DIRECTOR</u>	TITLE: <u>CHAIRMAN</u>
ORGANIZATION: <u>DLA</u>	ORGANIZATION: <u>DBCR</u>
INSTALLATION (S) DISCUSSED: <u>DEF CONTRACT MANAGEMENT DISTRICT SOUTH</u>	

OFFICE OF THE CHAIRMAN	FYI	ACTION	INT	COMMISSION MEMBERS	FYI	ACTION	INT
CHAIRMAN DIXON				COMMISSIONER CORNELLA	✓		
STAFF DIRECTOR	✓			COMMISSIONER COX	✓		
EXECUTIVE DIRECTOR	✓			COMMISSIONER DAVIS	✓		
GENERAL COUNSEL	✓			COMMISSIONER KLING	✓		
MILITARY EXECUTIVE				COMMISSIONER MONTOYA	✓		
				COMMISSIONER ROBLES	✓		
DIR./CONGRESSIONAL LIAISON				COMMISSIONER STEELE	✓		
DIR./COMMUNICATIONS				REVIEW AND ANALYSIS			
				DIRECTOR OF R & A	✓		
EXECUTIVE SECRETARIAT				ARMY TEAM LEADER			
				NAVY TEAM LEADER			
DIRECTOR OF ADMINISTRATION				AIR FORCE TEAM LEADER			
CHIEF FINANCIAL OFFICER				INTERAGENCY TEAM LEADER	✓		
DIRECTOR OF TRAVEL				CROSS SERVICE TEAM LEADER			
				<u>MW</u>	✓		
DIR./INFORMATION SERVICES							

**TYPE OF ACTION REQUIRED**

Prepare Reply for Chairman's Signature		Prepare Reply for Commissioner's Signature
Prepare Reply for Staff Director's Signature		Prepare Direct Response
ACTION: Offer Comments and/or Suggestions	✓	FYI

Subject/Remarks:  
EXPLAINING MISSION OF FACILITY AND REASONING FOR RECOMMENDATION TO CLOSE IT.

Due Date: _____	Routing Date: <u>950602</u>	Date Originated: <u>950601</u>	Mail Date: _____
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CAAJ(BRAC)

Mr. Robert Cook

- DRAFT -  
DCMD

To: M. Wesleyky  
From: Lucy Daris  
FAX 703-696-0550

The following information is provided in response to your letter of 15 June 1995.

a. Defense Contract Management District West (DCMDW) - Your letter indicates that the \$3.7 million attributed to program planning support and mothball shutdown is 35% of the one-time cost reflected in the COBRA model and appears to be too high.

The projected one-time cost of \$10.3 is comprised of \$4.1 for building purchase, \$1.2 for purchase of systems furniture, \$1.3 for building renovations, and, \$3.7 for program planning support and mothball shutdown. The program planning and support costs were calculated using the standard algorithm that the COBRA model uses. This amounted to \$3.528 million. The factor of 10% used in the calculation of the PPS costs was OSD mandated per policy memorandum number three. It also included the \$1.25 per square foot cost for closing the DCMDW space at El Segundo. This translates to \$0.156 million for closing 125,000 square feet.

b. The workload data at enclosure 1 thru 4 is provided in response to both your letter and telecon request between Marilyn Wesleyky of your staff and Lucy Daris of this office.

c. Per telecon between yourself and Margie McManamay of my staff, correspondence concerning GSA leased costs is attached as enclosure 5. Please note GSA indicated future rental rates will be based on market comparables and the condition of the property at the time DLA seeks to lease. Therefore, GSA will not project rental rates for the future.

5 Encl

MCCOY

(Subject to Change)

DRAFT

- DRAFT -

DEFENSE CONTRACT MANAGEMENT DISTRICTS (DCMD) WORKLOAD

CONTRACT ADMINISTRATION OFFICES:

	SEPT 94	JUN 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	25	25	22	21	21	0	0	0	0
DCMDN	35	36	31	29	28	39	37	35	35
DCMDW	30	28	26	25	25	32	31	29	28
<b>SUBTOTAL CONUS</b>	<b>90</b>	<b>89</b>	<b>79</b>	<b>75</b>	<b>74</b>	<b>71</b>	<b>68</b>	<b>64</b>	<b>64</b>
DCMCI	13	13	13	13	11	10	9	8	7
<b>TOTAL</b>	<b>103</b>	<b>102</b>	<b>92</b>	<b>88</b>	<b>85</b>	<b>81</b>	<b>77</b>	<b>72</b>	<b>71</b>

NUMBER OF CONTRACTS ON HAND:

*Actual 95*

	SEPT 94	APR 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	143,193	134,301	125,000	120,000	111,000				
DCMDN	143,505	135,573	133,000	131,000	129,000	214,000	212,000	210,000	208,000
DCMDW	103,326	95,858	93,000	91,500	90,000	111,000	109,000	107,500	106,000
<b>SUBTOTAL CONUS</b>	<b>390,024</b>	<b>365,732</b>	<b>351,000</b>	<b>342,500</b>	<b>330,000</b>	<b>325,000</b>	<b>321,000</b>	<b>317,500</b>	<b>314,000</b>
DCMCI	5,000	5,026	4,900	4,700	4,500	4,400	4,200	4,100	4,000
<b>TOTAL</b>	<b>395,024</b>	<b>370,758</b>	<b>356,900</b>	<b>347,200</b>	<b>334,500</b>	<b>329,400</b>	<b>325,200</b>	<b>321,600</b>	<b>318,000</b>

*- Work still must needs to be done*

UNLIQUIDATED \$ OBLIGATED (Billions):

	SEPT 94	APR 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	\$37	\$33	\$33	\$32	\$32	\$0	\$0	\$0	\$0
DCMDN	\$36	\$32	\$32	\$31	\$31	\$57	\$57	\$57	\$57
DCMDW	\$73	\$70	\$70	\$69	\$69	\$75	\$73	\$73	\$73
<b>SUBTOTAL CONUS</b>	<b>\$148</b>	<b>\$135</b>	<b>\$135</b>	<b>\$132</b>	<b>\$132</b>	<b>\$132</b>	<b>\$130</b>	<b>\$130</b>	<b>\$130</b>
DCMCI	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$2	\$2
<b>TOTAL</b>	<b>\$149</b>	<b>\$138</b>	<b>\$138</b>	<b>\$135</b>	<b>\$135</b>	<b>\$135</b>	<b>\$133</b>	<b>\$132</b>	<b>\$132</b>

*- Total value of contract*

OBLIGATED \$ VALUE (Billions):

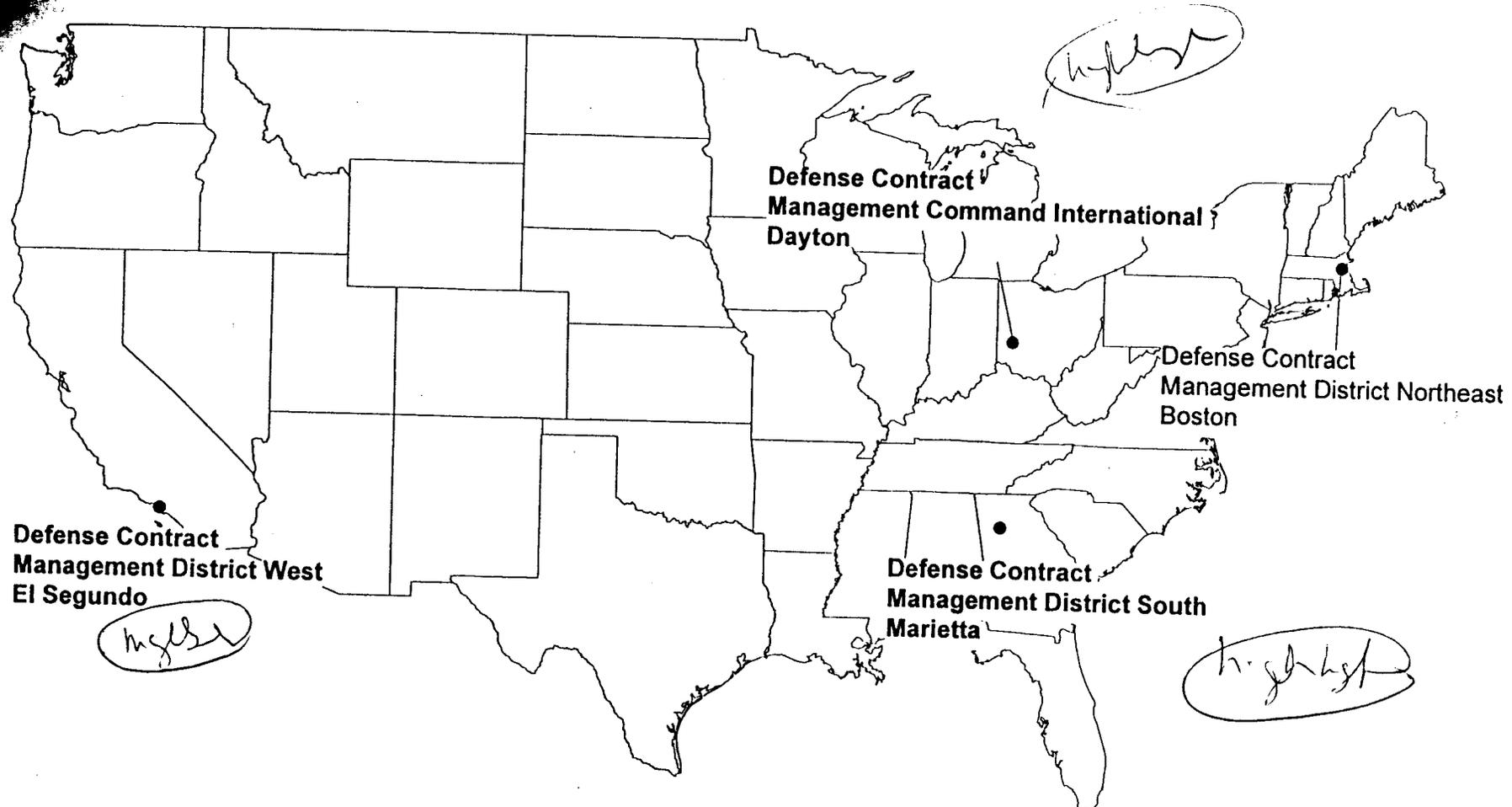
	SEPT 94	APR 95	SEP 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
DCMDS	\$233	\$235	\$232	\$228	\$220	\$0	\$0	\$0	\$0
DCMDN	\$271	\$268	\$266	\$260	\$250	\$410	\$382	\$370	\$364
DCMDW	\$387	\$385	\$380	\$375	\$365	\$390	\$383	\$360	\$338
<b>SUBTOTAL CONUS</b>	<b>\$891</b>	<b>\$888</b>	<b>\$878</b>	<b>\$863</b>	<b>\$835</b>	<b>\$800</b>	<b>\$765</b>	<b>\$730</b>	<b>\$702</b>
DCMCI	\$11	\$11	\$11	\$10	\$10	\$9	\$9	\$8	\$8
<b>TOTAL</b>	<b>\$902</b>	<b>\$899</b>	<b>\$889</b>	<b>\$873</b>	<b>\$845</b>	<b>\$809</b>	<b>\$774</b>	<b>\$738</b>	<b>\$710</b>

DRAFT

Enc 12



# Contract Management



highlight

**Bold type indicates disestablish/realign/redirect**

maybe do  
sound by  
map

-- % of offices managed  
+ get # of <sup>contracts</sup> & dollar value of contracts  
- of each region -



DEFENSE LOGISTICS AGENCY  
DEFENSE CONTRACT MANAGEMENT DISTRICT SOUTH

HELMUT BAXTER

DCMDS - FW  
805 WALKER STREET  
MARIETTA, GA 30060-2789

DSN: 697-6111  
(404) 590-6111

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

MULTI-CORRESPONDENCE TRACKING SYSTEM (ECTS) # 950620-7

FROM: BAXTER, HELMUT	TO: WASLESKI, MARILYN
SUBJECT: DEF CONTRACT MANAGE DIST SOUTH	TITLE: INTER SENIOR ANALYST
ORGANIZATION: OLA	ORGANIZATION: DBCRU
RELATION (S) DISCUSSED: DEF CONTRACT MANAGEMENT DISTRICT SOUTH	

OFFICE OF THE CHAIRMAN	FYI	ACTION	INIT	COMMISSION MEMBERS	FYI	ACTION	INIT
CHAIRMAN DIXON				COMMISSIONER CORNELLA			
ASSISTANT DIRECTOR	✓			COMMISSIONER COX			
DEPUTY DIRECTOR	✓			COMMISSIONER DAVIS			
GENERAL COUNSEL	✓			COMMISSIONER KLING			
MANAGER EXECUTIVE				COMMISSIONER MONTOYA			
CONGRESSIONAL LIAISON		⊙		COMMISSIONER ROBLES			
				COMMISSIONER STEELE			
COMMUNICATIONS				REVIEW AND ANALYSIS			
				DIRECTOR OF R & A	✓		
STAFF SECRETARIAT				ARMY TEAM LEADER			
				NAVY TEAM LEADER			
OFFICE OF ADMINISTRATION				AIR FORCE TEAM LEADER			
FINANCIAL OFFICER				INTERAGENCY TEAM LEADER		X	
OFFICE OF TRAVEL				CROSS SERVICE TEAM LEADER			
INFORMATION SERVICES				MARILYN WASLESKI	✓		

TYPE OF ACTION REQUIRED

Prepare Reply for Chairman's Signature		Prepare Reply for Commissioner's Signature
Prepare Reply for Staff Director's Signature		Prepare Direct Response
ACTION: Offer Comments and/or Suggestions	✓	FYI

Remarks:  
 PLANNING BUILDING HOUSING DISTRICT OFFICE IN  
 BOSTON WILL BE TORN DOWN, REQUESTING  
 NEW ANALYSIS

950627      Routing Date: 950620      Date Originated: 950614      Mail Date:

Helmut Baxter  
30 Old Magnolia Trail  
Arlington, Georgia 30115-8211

June 14, 1995

Ms. Marilyn K. Wasleski  
Senior Analyst  
Defense Base Closure and Realignment Commission  
1700 N. Moore Street, #1425  
Arlington, VA 22209

Dear Ms. Wasleski:

Thank you for allowing us to brief you on employee concerns during your recent visit to the Defense Contract Management District South in Marietta, Georgia.

As you know, of the three current Districts, ours is slated for closure, leaving only office in Los Angeles and Boston. I would like to add my voice to point out recent news from Boston that the building housing the District office will be razed to make room for a convention center-sports megaplex.

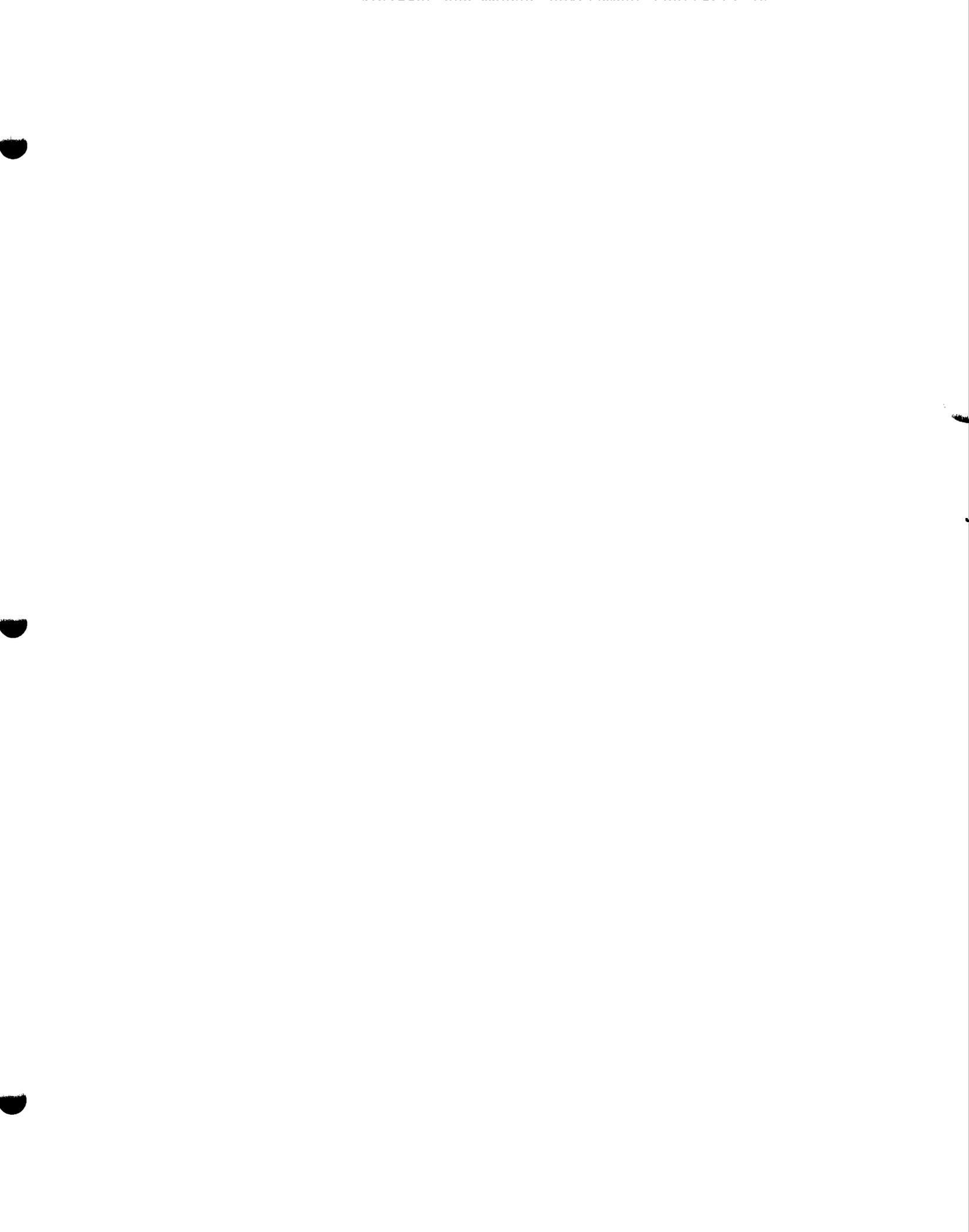
This event should trigger a new analysis of the three Districts. We feel that DLA underrated the continued trend of defense contractors moving to the sunbelt. At the same time our District has already significantly reduced staffing. DLA's analysis that District South is cheaper to close is not related to military requirements.

It makes sense to keep three smaller, efficient District offices to cover the entire United States. Please delete DCMD South from closure at this time.

Sincerely,

  
Helmut Baxter

Ph: (404) 590-6111



## **BASE VISIT REPORT**

**DEFENSE CONTRACT MANAGEMENT DISTRICT WEST, CA (DCMDW)**

**21 APRIL 1995**

### **LEAD COMMISSIONER:**

None.

### **ACCOMPANYING COMMISSIONER:**

None.

### **COMMISSION STAFF:**

Ms. Marilyn Wasleski, Interagency Team Analyst  
Mr. Ty Trippet, Interagency Team Associate Analyst

### **LIST OF ATTENDEES:**

Anthony Carr, DCMDW-G  
Pete Landini, DCMDW-O  
Ann Mennell, DCMDW-Human Resources  
Chris Ott, DCMDW-M  
Mike Sinkinson, DCMDW-F  
Bob Wagner, DLA BRAC office  
Betty Wilson, DCMDW-MR  
David Thompson, Senator Boxer's Staff Representative

### **BASE'S PRESENT MISSION:**

The Defense Contract Management District West (DCMDW) provides command and control, operational support and management oversight for Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located in the continental United States.

## **SECRETARY OF DEFENSE RECOMMENDATION:**

Redirect from BRAC 1993 Commission Recommendation

- This is a redirect of the following BRAC 93 Commission recommendation: "Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval Shipyard Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, CA, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and the Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

## **DOD JUSTIFICATION:**

- DCMD West is currently located in GSA-leased administrative space in El Segundo, CA. The President's Five-Point Revitalization Plan has significantly impacted the Navy's ability to consummate a land exchange at Long Beach with the Port Authority/City of Long Beach. The Long Beach Naval Shipyard has been placed on the BRAC 95 list for closure.

## **MAIN FACILITIES REVIEWED:**

The visit began with a Command Briefing on the Defense Contract Management District West. This briefing covered the <sup>District's</sup> depot's mission, capabilities, and personnel. A discussion of the costs and personnel numbers followed the briefing. The visit concluded with a walking tour of the office space.

## **KEY ISSUES IDENTIFIED:**

- DCMDW is centrally located among the major defense contractors in the Southwest. Several major contractors are located in southern California, particularly near El Segundo.
- DCMDW currently occupies 6 floors in an office building in El Segundo, CA. They pay \$4.2M (\$28.56/square foot) a year to lease their current office space. This rate was negotiated in 1986 when office space in the Los Angeles region was expensive. The current lease for DCMDW expires in April 1996 with two renewal options for five years each. Current market rates for office space are much lower and if the lease is extended now, GSA estimates that the rate could be renegotiated and lowered to the \$18-\$22 per square foot range.

- DCMDW has 281 (15 mil/266 civ) employees in the headquarters office in El Segundo, CA that will be affected by this action. In addition, 75 employees are in the District Contract Management Office which is collocated with headquarters. DCMDW headquarters wants to keep the district office collocated with headquarters if moved within El Segundo.
- DCMDW currently occupies 113,546 square feet. This number includes an excess 19,959 square feet that DCMDW will give up by the end of this year. DCMDW estimates that 72,274 square feet is needed in '95, and 60,062 square feet will be needed in '96.
- DCMDW's first option for moving is into DoD space. Second is existing government space in the LA area. The third option is to purchase a building or move into lease space. DCMDW argues that it's cheaper to buy a building than continue paying rent at the current location. Whatever decision is chosen, DCMDW plans to choose the most cost-effective option.
- DCMDW has communicated with Los Angeles AFB (LAAFB) about moving into vacant space there, but the Air Force won't commit to DCMDW until the final Commission recommendation is released. Regardless of the Commission decision, DCMDW may be able to move the 75 Defense Contract Management Office employees to the LAAFB, which would keep the district office in the center of their workload. Ideally, DCMDW would like to move headquarters and the district office to this location.
- The 1993 Commission closed the Defense Contract Management District North Central and the Defense Contract Management District North Atlantic and distributed the workload to remaining districts. DCMDW had no problems receiving additional workload from the closing of the North Central district. The transition went very smoothly. DCMDW expects few problems with receiving additional workload from the closure of DCMD-South, a 1995 DoD recommendation to the Commission. If Defense Contract Management District South closes, the impact of the additional workload on DCMDW would be minimal. In fact, DCMDW officials stated that DCMDW could expand beyond Texas and Oklahoma, which DLA currently plans.
- According to DCMDW officials, the Northeastern District (DCMDN-Boston) is still having problems from the 1993 BRAC round with absorbing the additional workload from the closure of the Mid-Atlantic District. DCMDW believes that the problem is related to the Defense Finance and Accounting Office's (DFAS) inability to merge all of the contracts from the BRAC '93 decision to close the Mid-Atlantic District. The Mid-Atlantic District had a high number of contracts--around 130,000. DCMDW officials believe that the number of contracts that DCMDN will have to absorb in the 1995 BRAC decision, if approved, is not as many. For more information on this issue, they said to contact Mr. Tom Powers of DFAS at DSN 327-0904.
- DCMDW employees spend about 20% of their time TDY.
- Depending on where DCMDW moves, the costs to rewire or move their telecommunications equipment could be around \$2 million. If they do not have to switch telephone companies, the costs will be much lower.

#### **COMMUNITY CONCERNS RAISED:**

- The community wants to keep DCMDW in the Los Angeles area.

## **ADDENDUM:**

In order to evaluate other options available to DCMDW, Commission staff met with General Services Administration (GSA) officials in Los Angeles.

## **ATTENDEES**

### **General Services Administration**

James J. Kane, Director, Los Angeles Service Center  
Norma Montero-Lefkowitz, Assistant Director

## **KEY ISSUES IDENTIFIED**

- According to GSA, Defense Agencies can not purchase real estate in an urban area unless it is mission specific (i.e. a chemical testing lab, etc.). DCMDW/DLA would need to have specific statutory authority to purchase an office building in an urban area.
- GSA would propose that any government agency not be allowed to build or buy a building at this time because of the high office vacancy rates (25%) in Los Angeles.
- Based on current market rates, GSA believes that office space can be obtained for \$18 to 22 per square foot in the Los Angeles area, particularly downtown.
- Currently, GSA is looking to extend the DCMDW lease at the current location. The current renewal option on the lease is \$33 per square foot. However, because of the high vacancy rate in the area, GSA could negotiate the lease for a much lower rate. GSA estimates the rate could be between \$20-21 per square foot. However, GSA said that in order to have the leverage to get a lower rate, GSA needs to begin negotiations now. It takes about 9 months to move an office to new space. Therefore, if GSA does not negotiate new space for DCMDW now, the landlord will know that DCMDW will not be able to move out by April 1996, and as a result, GSA could be forced into a higher rate. However, DLA has not yet told GSA what the requirements are, so GSA and DCMDW are at a stand-still.
- Under Executive Order 12072, government offices must be located in the downtown, central business district if GSA can obtain sufficient competition. GSA can only except those government offices that can prove in court that the mission justifies another location. According to GSA regulations, if DCMDW moves to other GSA leased space, GSA pays all moving costs except those for telecommunications equipment. If DCMDW moves to DoD space or to a purchased building, DLA will have to pay for all of the moving costs. [Note: The costs in the COBRA for moving costs appear too low.]
- GSA officials said that the Cushman & Wakefield Availability Survey obtained by DLA includes buildings that are probably in poor shape. GSA said that an \$85 per square foot purchase price is very low for the Los Angeles area and indicates that the building is in very poor

condition. GSA officials said that to purchase a 50,000 sq. ft. building and conform it to current specifications would be about \$6.5 million.

- GSA recommends that if Long Beach NSY remains open, DCMDW should move to vacant DoD space at Long Beach. If Long Beach NSY closes, GSA recommends that DCMDW move into GSA lease space. Unless DCMDW can go into DoD space, DCMDW should go into a GSA lease.

**REQUESTS FOR STAFF AS A RESULT OF VISIT:**

- Consult with Commission legal counsel to determine if the Commission recommendation can include the option to purchase an office building in an urban area.

Ty Trippet/Interagency Issues Team/05/19/95 2:36 PM

# DRAFT

## DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

### SUMMARY SHEET

#### DEFENSE CONTRACT MANAGEMENT DISTRICT WEST (DCMDW) EL SEGUNDO

#### INSTALLATION MISSION

Provide command and control, operational support and management oversight for Contract Management Area Operations (DCMAOs) and Defense Plant Representative Offices (DPROs) located in the continental United States.

#### DOD RECOMMENDATION: Redirect from BRAC 1993 Commission Recommendation

- This is a redirection of the following BRAC 93 Commission recommendation: "Relocate the Defense Contract Management District, El Segundo, California, to Long Beach Naval Shipyard Los Angeles, California, or space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach." The current recommendation is expanded to read: Relocate the DCMD, El Segundo, CA, (a) to Government property in the Los Angeles/Long Beach area, or, (b) to space obtained from exchange of land between the Navy and the Port Authority/City of Long Beach, or (c) to a purchased office building, whichever is the most cost-effective for DoD.

#### DOD JUSTIFICATION

- DCMD West is currently located in GSA-leased administrative space in El Segundo, CA. The President's Five-Point Revitalization Plan has significantly impacted the Navy's ability to consummate a land exchange at Long Beach with the Port Authority/City of Long Beach. The Long Beach Naval Shipyard has been placed on the BRAC 95 list for closure.

#### COST CONSIDERATIONS DEVELOPED BY DOD

• One-Time Cost:	\$ 10.3 million
• Net Savings During Implementation:	\$ 10.9 million
• Annual Recurring Savings:	\$ 4.2 million
• Break-Even Year:	1999 (immediate)
• Net Present Value Over 20 Years:	\$ 51.2 million

DRAFT

**DRAFT**

**MANPOWER IMPLICATIONS OF THIS ACTION (EXCLUDES CONTRACTORS)**

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
<b>Baseline</b>			
Reductions	0	0	-
Realignments	15	238	-
Total	15	238	-

**MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)**

<u>Out</u>		<u>In</u>		<u>Net Gain (Loss)</u>	
<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
0	0	2	20	2	20

**ENVIRONMENTAL CONSIDERATIONS**

- Environmental consideration do not prohibit this recommendation from being implemented.

**REPRESENTATION**

Senators: Barbara Boxer  
Diane Feinstein  
Representative: Jane Harman  
Governor: Pete Wilson

**ECONOMIC IMPACT**

The relocation of DCMDW to Long Beach will have no impact on the jobs within the region since all personnel will be relocated to the new site.

- Potential Employment Loss: 0 jobs (0 direct and 0 indirect)
- Los Angeles-Long Beach MSA Job Base: 4,989,503 jobs
- Percentage: 0 percent decrease
- Cumulative Economic Impact (1994-2001): 0 percent decrease

## **DRAFT**

### **MILITARY ISSUES**

- Relocation of current mission.

### **COMMUNITY CONCERNS/ISSUES**

- There are no significant community concerns/issues involved with this realignment.

### **ITEMS OF SPECIAL EMPHASIS**

- Validation of costs associated with recommended action.

Marilyn Wasleski/Interagency Issues Team/04/12/95 10:35 AM

cat

**MEMORANDUM**

TO: Bob Cook  
 Interagency Team Leader

Ty Trippett  
 Interagency Associate Analyst

FROM: Elizabeth King *EK*  
 Counsel

W

SUBJECT: Whether DCMDW may legally pursue an option in the 1995 redirect to move to a purchased office building

The Secretary of Defense has requested a redirect of a 1993 recommendation regarding options for relocating Defense Contract Management District West in El Segundo, CA. The 1995 recommendation reads:

Relocate the DCMDW to

- a. to Government property in LA/Long Beach area
- b. to space obtained from exchange of land for space between the Navy and the Port Authority/City of Long Beach.
- c. to a purchased office building

whichever is the most cost-effective for DOD.

If the Commission accepts another recommendation of the Secretary to close Long Beach Naval Shipyard, option "b" will no longer be viable. However, DOD will still have the option to pursue either option "a" or "c". The Department of Defense have been granted separate statutory authority to enter into leases and to purchase or construct office buildings, independent of GSA authority.

Under 10 U.S.C. § 2676, the Secretary of Defense may acquire property but the purchase must be expressly authorized by law. Under 10 U.S.C. § 2667, the Secretary of Defense also has authority to enter into a lease. If the Secretary does decide to purchase property over \$200,000 or enter into a lease that has an annual rental of more than \$200,000, the Secretary, under 10 U.S.C. § 2662, must submit a report of the facts to the Committees on Armed Services of the Senate and the House of Representatives and then wait a period of thirty days before making the purchase.

# GSA Head Urges Leasing Freeze

*Big-Equipment Buying Also Would Halt Pending Decisions on Needs*

By Maryann Haggerty  
Washington Post Staff Writer

The head of the General Services Administration said yesterday he wants a freeze on federal office leasing and major equipment purchases so the government can figure out how talk of downsizing translates into real-life needs.

Because the nation's largest concentration of rented federal office space is in the Washington area, such a freeze would have its largest impact here.

GSA Administrator Roger Johnson, whose agency is the landlord and central purchasing authority for much of the government, said at a press briefing that the government should establish a 60- to 90-day moratorium on leases and purchases "until we know what comes out of this Congress."

He said, "I would hate like heck to renew three leases for 20 years" and watch the agencies abolished.

Johnson wants the freeze to affect not only the space and equipment his agency oversees, but also that controlled by other agencies. He proposed such a moratorium earlier this month to the President's Management Council, a group made up of agency heads and charged with overseeing the reduction of the federal labor force. "It is imperative that we move quickly to postpone or cancel actions which do not acknowledge this new reality," he wrote in a memo explaining his proposal.

He said that he and others had the authority to make some decisions about freezes in their own agencies. "However, I feel it would be much



ROGER JOHNSON

... "imperative that we move quickly"

more effective, practically and politically, if the [council] took a proactive role at a policy level ... to assure that agencies and departments do not acquire new property until they fully utilize current government assets."

Johnson said yesterday that he believes the council members will support him. "I'm sure prudent minds will prevail," he said. A GSA spokesman said the agency expects to hear back from the council soon about the proposal.

In the Washington area, GSA is both the biggest landlord and biggest tenant, with a total of 73 million square feet of space in its portfolio—about 20 Pentagons' worth. Of that, about 60 percent is rented from private landlords.

Testifying yesterday at a Senate Appropriations subcommittee hearing, Kenneth R. Kimbrough, who runs GSA's real estate operations, said leases on roughly a tenth of that space, or 4 million square feet, roll over each year. "The least-cost way to satisfy a shrinking appetite for real estate is not to renew leases as they come due," he said.

In response to a question from Sen. Richard C. Shelby (R-Ala.), Johnson and Kimbrough said they didn't have a figure immediately available on how much the government pays in rent on space locally each year.

But it's a big number. Shelby asked, "Is it over a billion dollars a year?"

"Yes," Kimbrough said.

Early last year, GSA temporarily froze leasing while it examined projects to determine what was needed. The private sector here quickly felt the effects. Local real estate experts have said the GSA freeze is primarily responsible for leasing in the District last year slowing from the pace set the year before.

If the freeze Johnson has proposed takes effect, it also would cover "big-ticket" office equipment purchases, those costing more than \$1,000.

GSA already has taken a step in that direction, freezing purchases of personal computers and printers for its own employees for two months.

The agency has shed more than 4,000 employees since the beginning of 1993, and more than 1,000 more are scheduled to go. That means the agency now has too many computers. According to an internal memo announcing the freeze, the agency has 19,379 personal computers—and 16,700 employees.

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**LONG BEACH**  
**AVAILABILITY SURVEY**

**Prepared For:**

Thomas M. Karst  
Chief, Master Planning Branch  
Defense Logistics Agency

**Prepared By:**

Michael T. Sidney  
David D. Mackenbach

**CUSHMAN &  
WAKEFIELD.**  
A ROCKEFELLER GROUP COMPANY

**Business America's Real Estate Firm**

879 West 190th Street, Suite 100  
Post Office Box 92005  
Los Angeles, CA 90009-2005  
(310) 516-9100

February 9, 1995

End 4

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**SECTION I**

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## AVAILABLE BUILDINGS

### LONG BEACH

#### SECTION I: Purchase Opportunities

##### Downtown Long Beach

1. American Savings Building - 401 East Ocean Boulevard
2. Crocker Bank Building - 180 East Ocean Boulevard
3. Union Bank Building - 400 Oceangate

##### Long Beach Airport area

4. Long Beach Airport Business Park, Buildings F & G -  
4900 and 4910 Airport Plaza Drive
5. Long Beach Airport Business Park, Buildings D & E -  
4811 and 4801 Airport Plaza Drive
6. Kilroy Airport Center  
3880 & 3890 Kilroy Airport Center Way
7. Freeway Business Center  
1501 & 1515 Hughes Way

#### SECTION II: Lease Opportunities (Both Downtown & Long Beach Airport areas)

"FEE" LAND LAND INCLUDED  
IN THE COST  
ESTIMATE

## PURCHASE AVAILABILITY INFORMATION

1. *American Savings Building - 401 East Ocean Boulevard*

This twelve-story office high-rise is comprised of approximately 125,000 square feet. It was built in 1984 and as a Class "B" building, maintains prestigious ocean views overlooking the Long Beach Convention Center. The building currently has approximately 80,000 square feet available and lends itself very favorably for a large user because of its contiguous vacant floors available. The building has a separate parking structure with a parking ratio of approximately 3 1/2 for 1,000 spaces available. The interior improvements would cost in the \$25/SF range to reconfigure to the DOD/DLA's requirements as we know them. The building is on "fee" land. We estimate a sales price of approximately \$10,000,000.00 (\$80/SF).

2. *Crocker Bank Building (previously known as) - 180 East Ocean Boulevard*

This twelve-story building is comprised of approximately 195,205 square feet. It was built in 1982 and has traditionally maintained a 95% occupancy rate. It currently has 100,000 square feet available. It has unobstructed ocean view settings in Long Beach, and is poised on Ocean Boulevard adjacent to the Long Beach Convention Center and the Promenade. Interior improvements would cost approximately \$25/SF to renovate to meet the requirements of the DOD/DLA as we know them. The parking for the building is provided for in an underground structure at a ratio of 3/1000. The building is on "fee" land.

3. *Union Bank Building - 400 Ocean Gate*

This thirteen-story building is approximately 157,683 square feet. It was built in 1976 and has recently undergone a major renovation. It currently has approximately 75,000 square feet vacant and would lend itself well for a large user. It is across the street from the Greater Los Angeles World Trade Center and has strong ocean views as well. Interior improvements would cost approximately \$25/SF to renovate to the DOD/DLA's requirements as we know them. The building maintains a parking structure that houses approximately a 4/1000 parking ratio. The building is on "fee" land. We anticipate a sales price of \$10,990,000.00 (\$70/SF).

4. *Long Beach Airport Business Park - Buildings F & G  
4900 and 4910 Airport Plaza Drive*

These two three-story buildings were built in 1984, and are joined by a common lobby area. They total 150,403 rentable square feet with a typical floor being 25,067 square feet. The majority of the space is open plan, so the cost to renovate the buildings to fit the DOD/DLA's requirements would be minimal (\$15/SF). Parking is provided for in an adjacent structure as well as surface parking around the buildings at a ratio of 4/1000. We anticipate a sales price of \$5,250,000.00/per building (\$70.00 per square foot). Both of these buildings are on leased land owned by the City of Long Beach.

5. ***Long Beach Airport Business Park - Buildings D & E  
4811 and 4801 Airport Plaza Drive***

Built in 1985, Building D consists of a six-story building totalling 121,000 square feet. Interior improvements would cost approximately \$25/SF to fit the requirements of the DOD/DLA as we know them. Parking is provided for in an immediately adjacent structure at a ratio of 5/1000. The price has not yet been established, but we estimate a sales price of approximately \$10,890,000.00 (\$90.00 per square foot). This building is on a ground lease with the City of Long Beach.

Also built in 1985, Building E is an eight-story building totalling 165,000 square feet. It is leased to McDonnell Douglas and the lease expires on May 30, 1997. However, McDonnell Douglas has indicated that they would like to vacate. Parking is provided for in an immediately adjacent structure at a ratio of 5/1000. We estimate the sales price of this building to be \$14,850,000.00 (\$90.00 per square foot). This building is on a ground lease with the City of Long Beach.

6. ***Kilroy Airport Center***

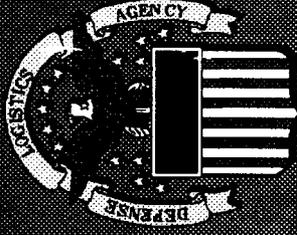
The two buildings that were toured at Kilroy Airport Center 3880 & 3890 Kilroy Airport Center are no longer available. 3880 was leased on a long term lease by DeVry schools. 3890 was leased to McDonnell Douglas at the time of the tour. There was speculation that they would be vacating the building, however they have since renewed their lease.

7. ***Freeway Business Center***

There are two available buildings that fit the requirement at the Freeway Business Center. This development is located at the north west corner of the Long Beach (710) Freeway and the San Diego (405) Freeway:

***1515 and 1501 Hughes Way:***

These two 80,000 square foot buildings were built in 1984 and were previously occupied by Hughes. The interior improvements would cost approximately \$15-\$25/SF to remodel to the DOD/DLA's requirements as we know them. The parking is provided for in a three story parking structure immediately adjacent to the property. We feel either of the buildings can be purchased for approximately \$60/SF or \$4,800,000.00. Both of these buildings are on "fee" land.

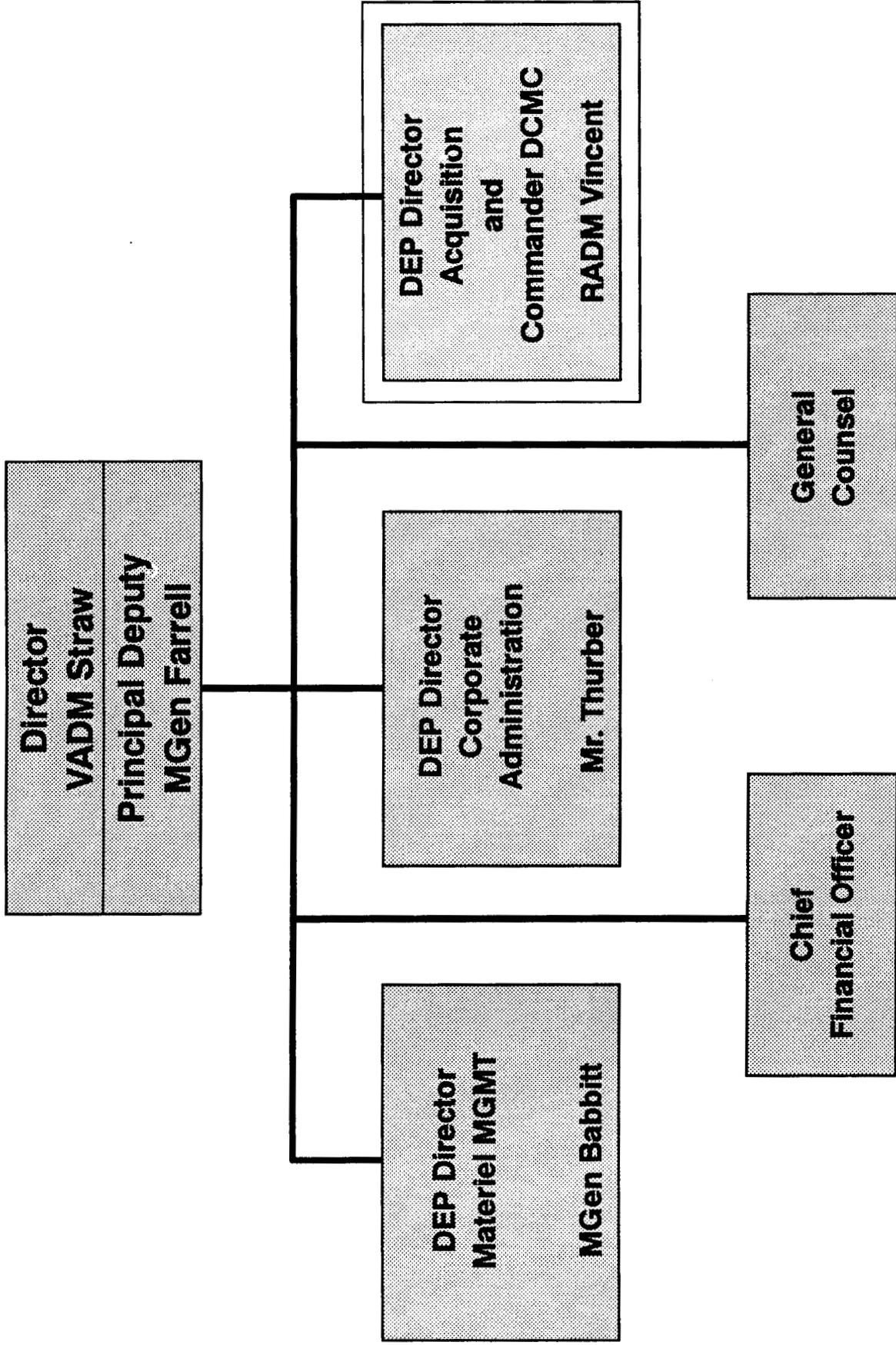


*Defense  
Contract Management  
District West*

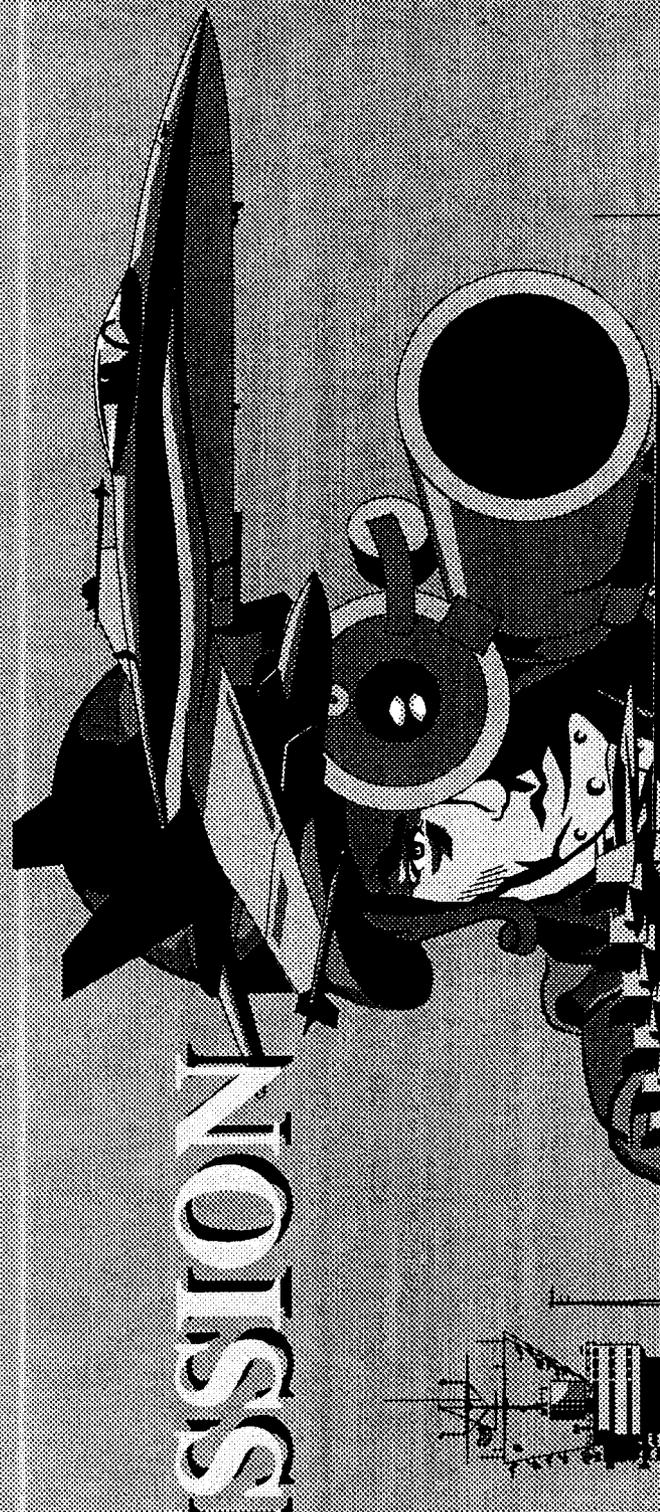
**BRAC  
'95**

*21 Apr 95*

# Defense Logistics Agency



# MISSION



**We are the Western District, Defense Contract Management Command, a key part of the acquisition team. We serve the armed forces, other national agencies and the American people. We ensure quality products are delivered to the military services and other agencies on time and at a reasonable cost.**

*W. A. G. S. A.*



# DCMC DISTRICTS - 1990

## 6 Districts

### INTERNATIONAL

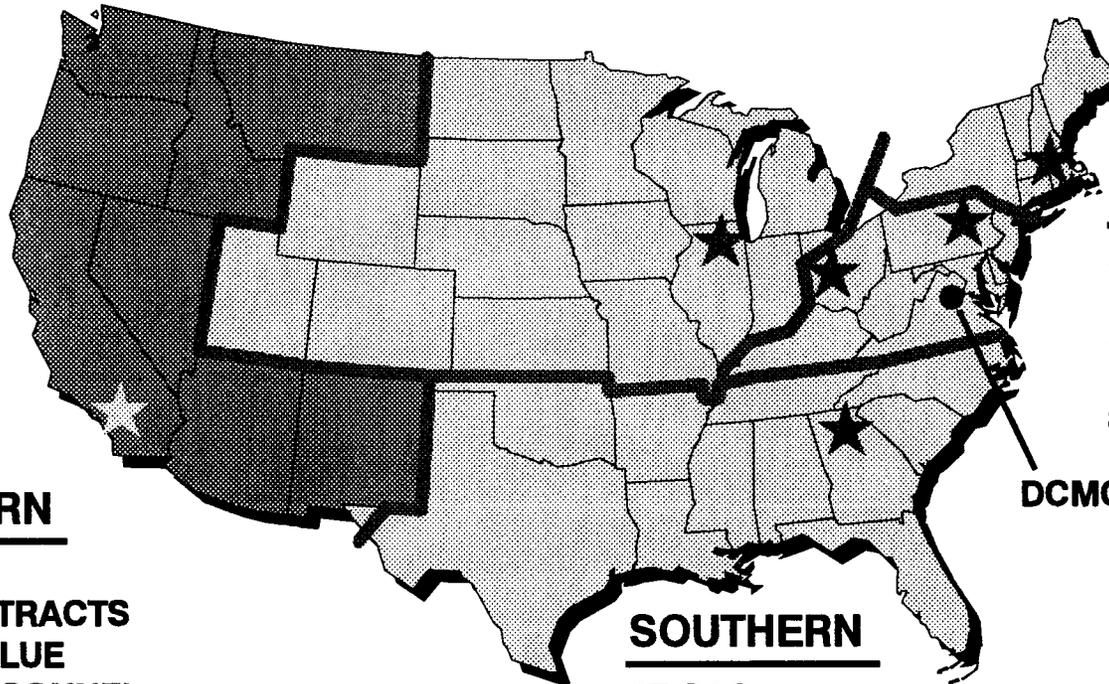
8 CAOs  
2.5K CONTRACTS  
\$2.2B VALUE  
505 PERSONNEL  
575 CONTRACTORS

### NORTH CENTRAL

22 CAOs  
61K CONTRACTS  
\$137B VALUE  
3391 PERSONNEL  
4084 CONTRACTORS

### NORTHEASTERN

27 CAOs  
109K CONTRACTS  
\$134B VALUE  
3639 PERSONNEL  
5217 CONTRACTORS



### MID-ATLANTIC

23 CAOs  
130K CONTRACTS  
\$107B VALUE  
3633 PERSONNEL  
8439 CONTRACTORS

### WESTERN

28 CAOs  
91K CONTRACTS  
\$237B VALUE  
5194 PERSONNEL  
5986 CONTRACTORS

### SOUTHERN

27 CAOs  
67K CONTRACTS  
\$138B VALUE  
3320 PERSONNEL  
4493 CONTRACTORS

DCMC HQ

# REGION/DISTRICT COMPARISON

1990

INDICATOR	LA REGION	WESTERN DISTRICT
CAOS	13	28
CONTRACTS	90600	91000
DOLLAR VALUE	\$84B	\$237B
PERSONNEL	2966	5194
CONTRACTORS	5604	5986

*Contract Administration Office*

DCAWA - Defense Contract Management Area Office - Payment function - Separated out + sent to DFAS.  
PRO - Plant Representative Office

# Defense Contract Management District West - June 94

*- gained 80% of District  
with control  
offer SRAC 93*

## PLANT REPRESENTATIVE OFFICES

BOEING SEATTLE

THIOKOL, BRIGHAM CITY

LOCKHEED, SUNNYVALE  
UNITED DEFENSE, SAN JOSE -  
*roadway*

ROCKWELL, CANOGA PARK  
McDONNELL DOUGLAS, LB - *C-7*  
HUGHES, LOS ANGELES - *space*

NORTHROP, PICO RIVERA - *B-2*  
TRW, REDONDO BEACH  
McDONNELL DOUGLAS, HB *space*  
HUGHES, FULLERTON

DISTRICT WEST  
HEADQUARTERS

McDONNELL DOUGLAS, MESA  
HUGHES, TUCSON

HONEYWELL/ALLIANT,  
TECH SYSTEMS,  
MINNEAPOLIS  
*Annex for tanks*

UNITED DEFENSE,  
MINNEAPOLIS - *ordnance plant*

SATELLITE OFFICE,  
CHICAGO  
*of District  
Headqtrs  
- Personnel, etc. + insurance pool*

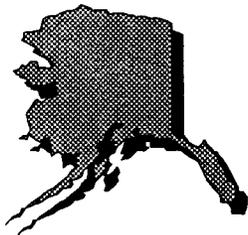
McDONNELL DOUG.,  
ST. LOUIS

BOEING, WICHITA

MARTIN MARIETTA,  
DENVER

MEXICO

ALASKA



HAWAII



## MANAGEMENT AREA OPERATIONS

CHICAGO, IL  
DENVER, CO  
EL SEGUNDO, CA  
MILWAUKEE, WI  
PHOENIX, AZ

SAN DIEGO, CA  
SAN FRANCISCO, CA  
SANTA ANA, CA  
SEATTLE, WA

ST. LOUIS, MO  
TWIN CITIES, MN  
VAN NUYS, CA  
WICHITA, KS

# Comparison - Jun 94

INDICATOR	NORTH CENTRAL	WEST	COMBINED
CAOS	14	19	31
CONTRACTS	25000	69000	94000
DOLLAR VALUE	\$147 BIL	\$230 BIL	\$377 BIL
PERSONNEL	2107	3900	6007
CONTRACTORS	2400	4800	7200
STATES	10	11	21

# District West

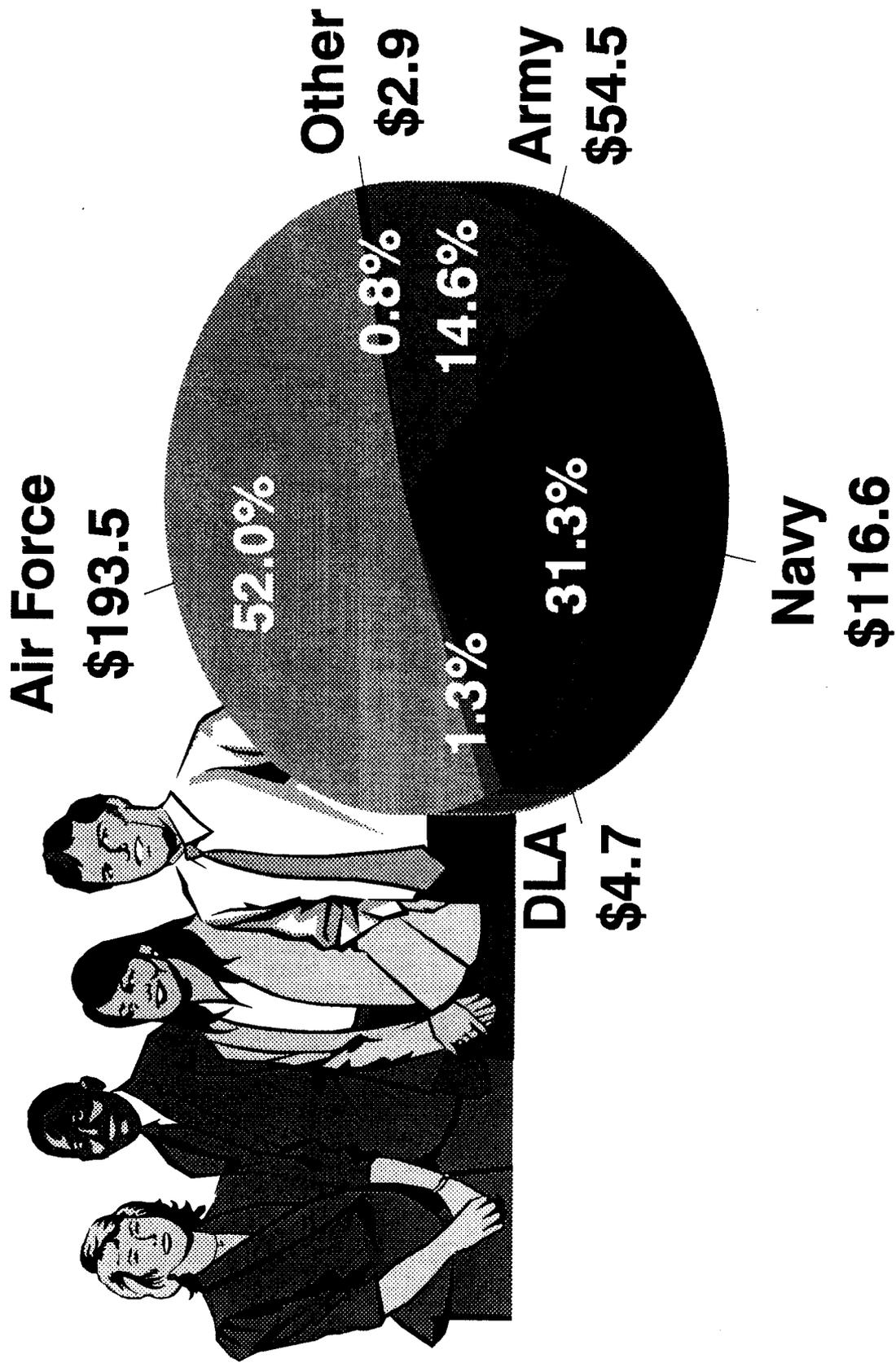
*Delivered to the States*

*Current FY 2000*

No. of Contracts	105,773
Contract Dollar Value	\$372.2B
ULO Dollar Value	\$73.7B
\$ Value Top 10 Major Programs	\$58B
Contractors	7200
States	21
CAOs	28
AOs	11
DPROS	17
DCMOS	26
Span of Control	15:1

	<u>Civilian</u>	<u>Military</u>
Total Personnel	5154	241
District HQ	307	9
CAOs	4847	232

# Major Buying Customers (\$B)



# DCMDW Top Ten Programs (\$B)

<u>PROGRAM</u>	<u>\$ VALUE</u>
C-17	17
TITAN	13.5
B-1B	11
F-18	7
AMRAAM	3.7
TOMAHAWK	2.5
DSP/SATELLITE	1.5
DSP/SENSORS	1.1
LONGBOW/APACHE	0.5
NMDS	0.3



# DCMDW

- **Downsizing Environment**
  - **Budget**
  - **Employees**
  - **Federal Bureaucracy**
- **Encourages Innovation**
  - **New Organization Structures**
    - **Multi-Functional Teams**
    - **Empowered**
    - **Customer Focused**

# DCMDW (cont.)

- **New Operating Attitudes**

- **Teaming with Customers and Contractors**
- **Process Champions and Facilitators**
- **Reinvention Labs**

- **New Competitive Culture**

- **Stating Performance Requirements**

- **Integrating Requirements - Budget**

*Planing + Perf Eval.  
new things to try*

- **Measuring Results**

- **Recognizing Success**

*- why a rocky teaming self teams are  
important*

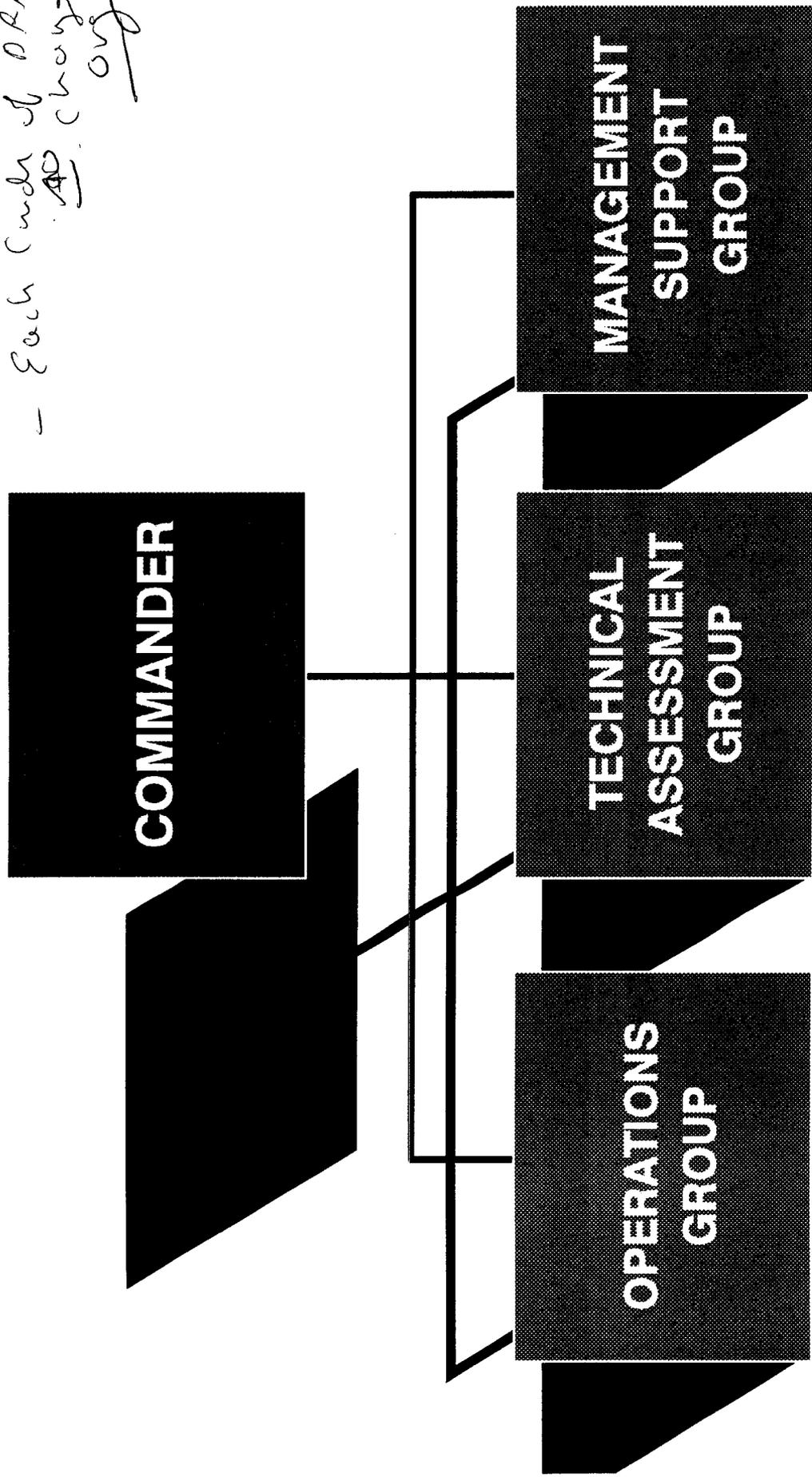
- **Improving Processes and Results**

*Officer in Charge*

*Area*

# Storefront AOs and DPROs

*- Each Cmdr of DPRO or AO, charged with org.*



# Multi-Functional Team

- Administrative Contracting Officer
- Program Integrator
- Quality Assurance
- Engineer (Hardware / Software)
- Property / Transportation / Plant Clearance
- Logistics
- Other as Required



*Handwritten notes:*  
 AT Disc <sup>Asst, AIF</sup> Customer etc  
 - PCO - Procurement  
 Center Office -  
 Des Proc Award still -  
 (ind. + contract) +  
 makes area +  
 legal  
 AT ACO - Administrative Contracting  
 Office - all to Del. Product - in service  
 on time + good quality

# Storefront AOs and DPROs

- **Consolidated / Disestablished**

- ✓ 90 - 94    12 DPROs  
                  3 DCMAOs

- ✓ 95            4 DPROs Pending

- **Span of Control**

- ✓ 94            6:1 *supervisor to employee ratio*

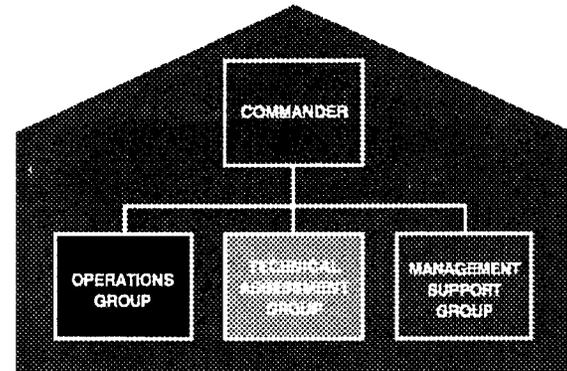
- ✓ 95            15:1

- **Savings - More to Come**

- ✓ 18 High Grade Positions  
(GS-15 & 14s) Eliminated In Field

- ✓ 6 High Grade Positions  
Eliminated at HQtrs

*District looks out a lot of his  
storefront - manage his  
offices closed &  
disestablished*



*- new org. structure  
helped them to become  
more eff. w/o  
add. or to many  
more...*

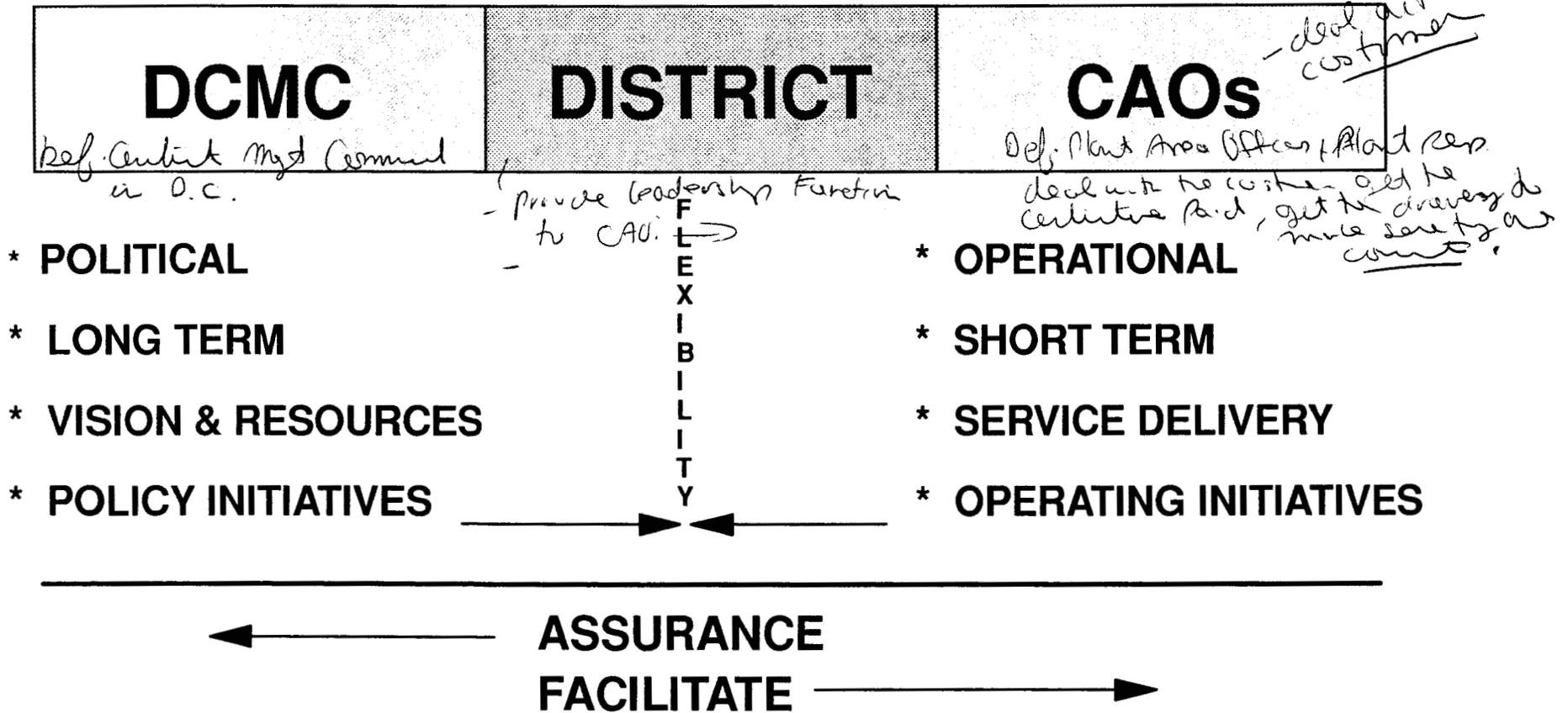
# DISTRICTS - WHERE MISMATCHES FIT TOGETHER

## THE NATURE OF DISTRICTS - TWO DIRECT CUSTOMERS

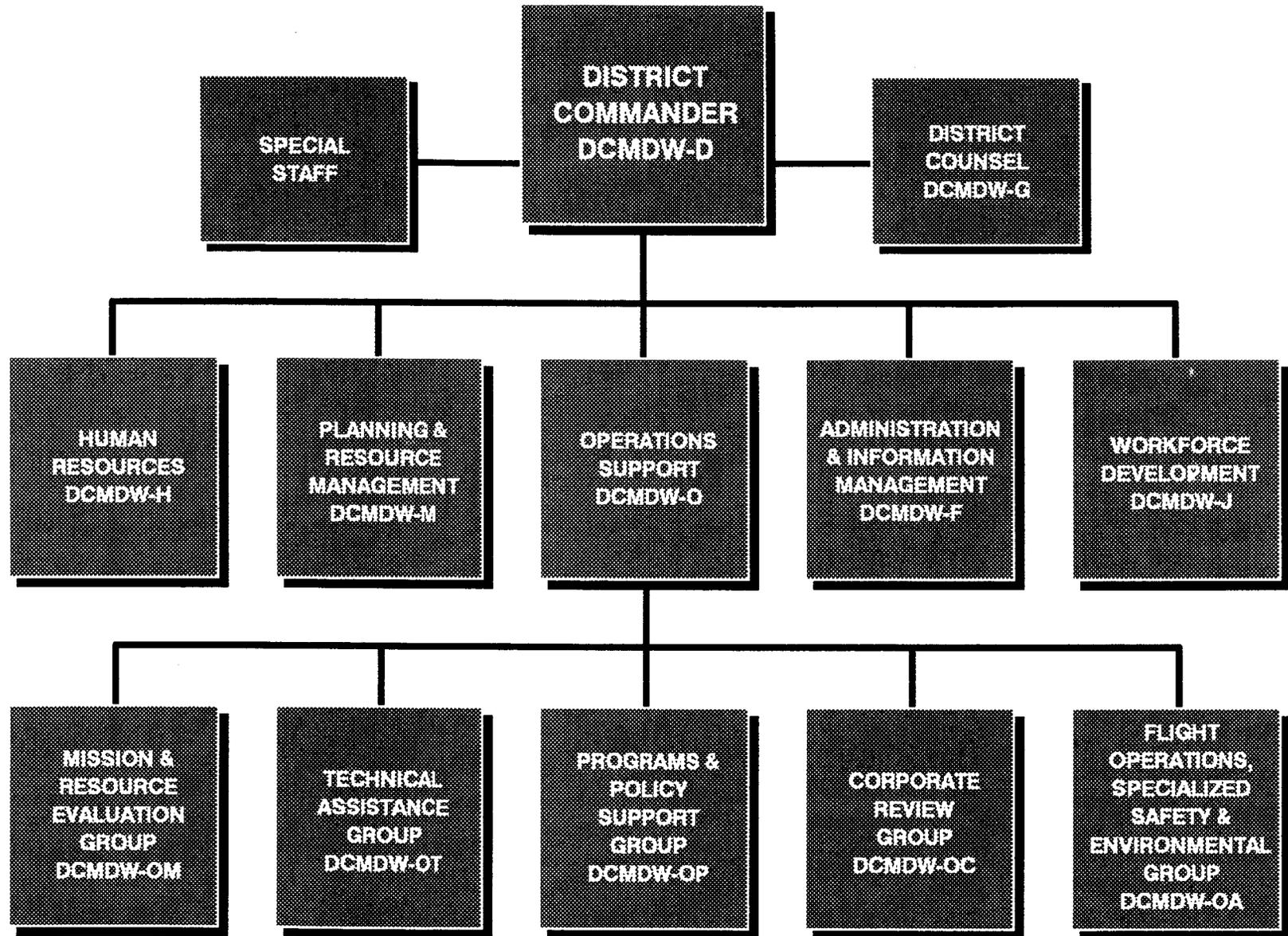
"Get us positioned properly and get us paid."

"Assure, facilitate and leverage CAO performance"

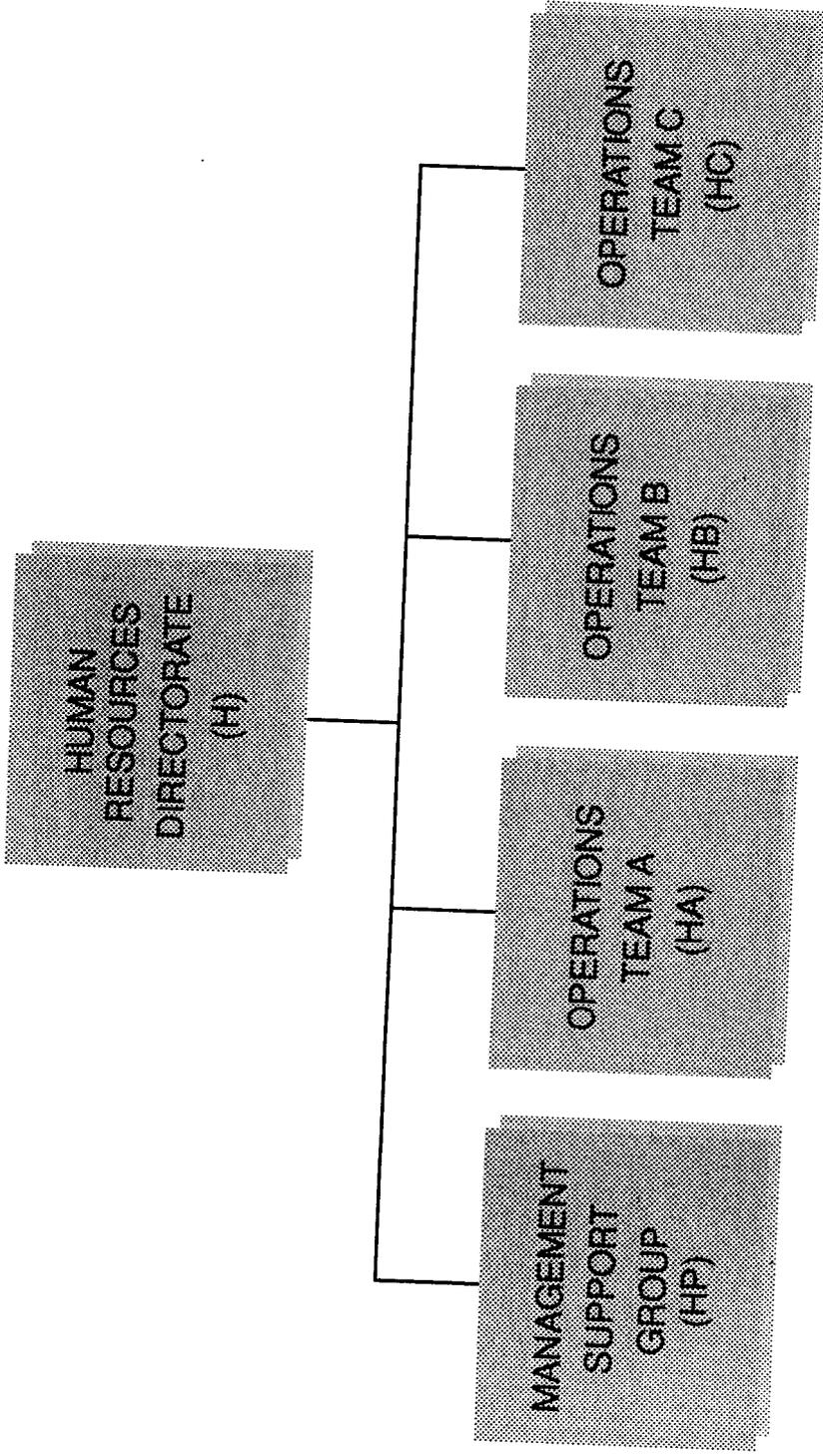
"Deliver the best service our people and systems are capable of."



# Western District Headquarters



# Human Resource Reorganization



- \* From Functional Organization to Regional Multifunctional Teams
- \* One Stop Shop
- \* Span of Control from 1:8 to 1:15
- \* Servicing Ratio from 1:70 to 1:100

*try to get here -  
not have just myriad get  
there. stretch your*

*excess of*

# District Level Successes

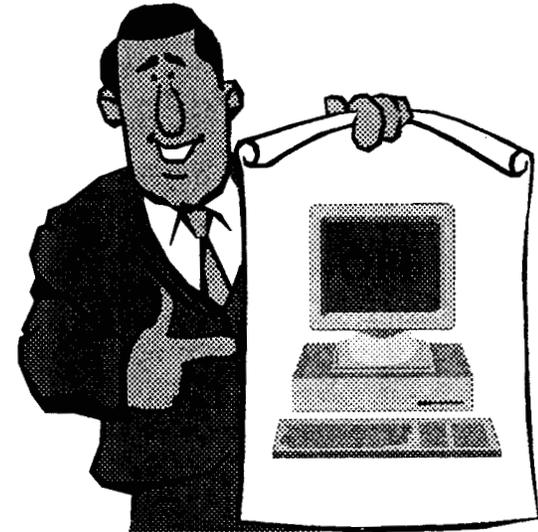
## Automation Process

- Enterprise Networking
- Imaging
- Automated SF 52
- Performance Labor Accounting System (PLAS)

Created at ~~this~~ district.

Straw went to design not just thru PLAS but thru DCA  
- benchmarked with city of San Jose.

# Imaging Official Personnel Folders



- Paperless OPF
- Document Conversion/Scanning
  - ✓ Approx. 1.5 Million Pages
  - ✓ October 1994 - February 1995
- Standard Indexing
- Verification: OPM Requirement Beginning Mid-October
- On-Line Retrieval
  - ✓ Accessible Immediately for Human Resources
  - ✓ Viewing Stations at AOs & DPROs

- All official Personnel Files for all DCMRU ~~and~~ AO offices serve as set DCMRU.



# Performance Labor Accounting System Software Development Cycle

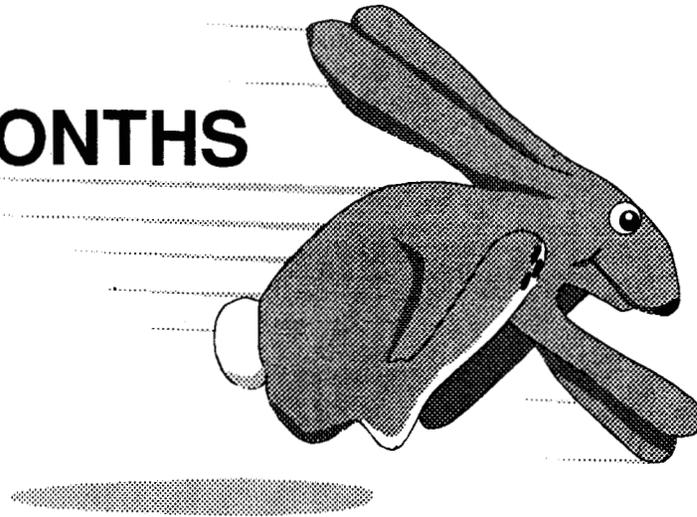


**5-7 YEARS**

- **Traditional Approach**

- ✓ Define Requirements
- ✓ Design Program
- ✓ Code Program
- ✓ Test Program
- ✓ Deploy Program

**10 MONTHS**



- **PLAS Approach**

- ★ Integrated Team
- ★ In-House Programmer
- ★ Concurrent Development/  
Coding/Test
- ★ Large Scale User Testing
- ★ Iterative Design Process

*Executive - started here but then  
went to Defense Performance Review.*

# **Integrated Management Process**

- **Government Performance and Results Act (GPRA)**
  - ✓ **Unit Self Assessment**
- **Labor Management Relations Committee (LMRC)**
- **Career Tracks**
- **Team Awards**

*Visio Avey* *Voluntary*

# VSIP / VERA



✓ FY 93: 118 VSIPs

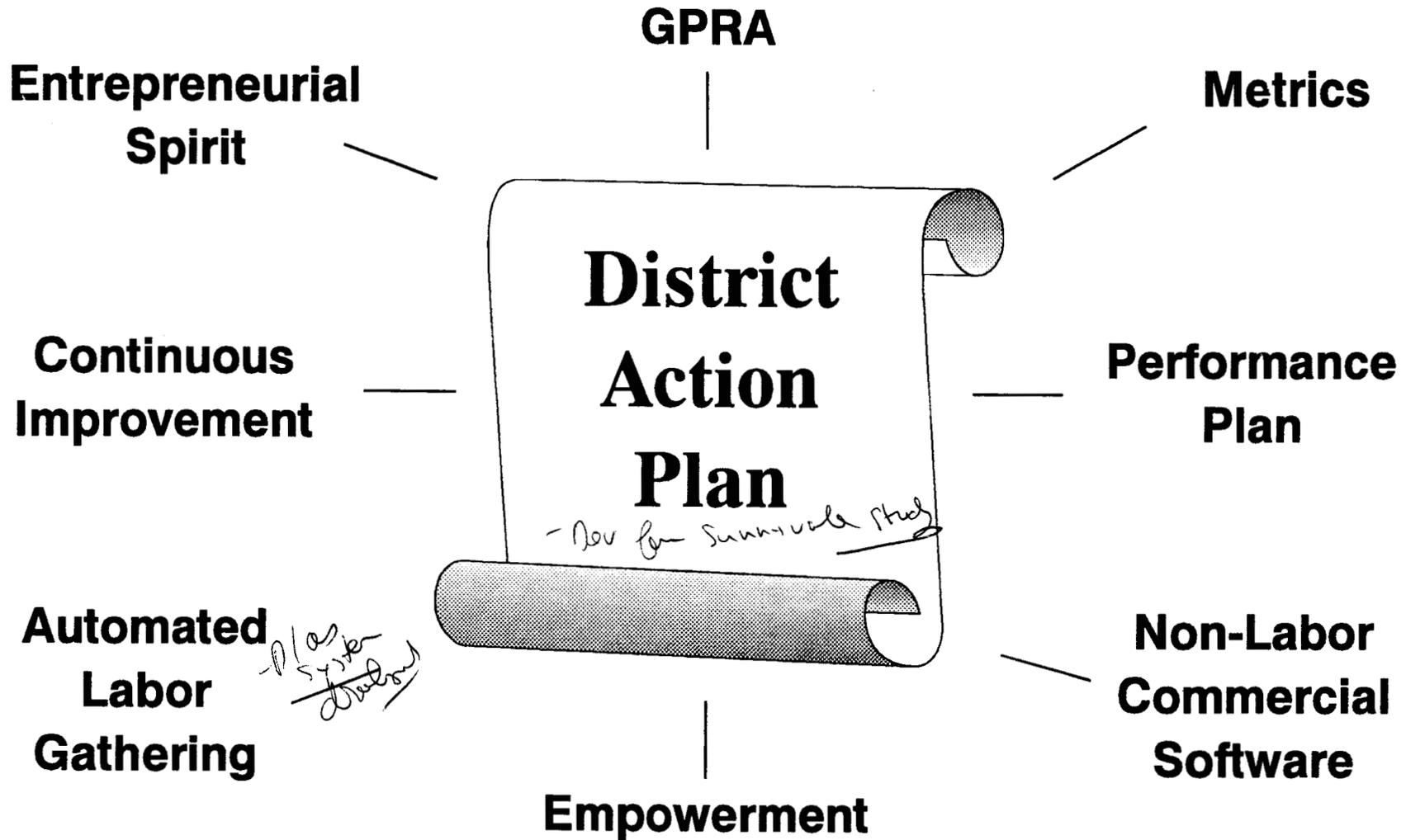
✓ FY 94: 516 VSIPs

**Including 183 VERAs**

✓ **Bottom Line:**

**Reduce Workforce  
Without RIF or Mission  
Failure**

# District Vision



**Equals Improved Customer Satisfaction & Competitiveness**

# Performance Auditing



- **Unit Self Assessment (USA)**

- ✓ **Perform Annually**

- ✓ **DCMDW Executive Leadership participated in Staff USA**

- ✓ **Oct Workshop** - pulled top people who did Unit Self Assessment - to learn from each other

- **Produce Reference Document with Best Practice**

# Support of Command

## Initiatives

*Handwritten notes:*  
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- **Federal Contract Administration Services (FEDCAS)**

*Process oriented services*

- **PROCAS** - *Look out to process - team with the customer contracts to improve processes.*

- **Early Contract Administration Services (ECAS)**

*- build stuff in up front*

- **Activity Based Costing (ABC) → PLAS**

- **Expiring Funds**

- **Contract Closeout**

- **Contractor Overhead Strategy**

# BRAC 95 - Why L.A.?

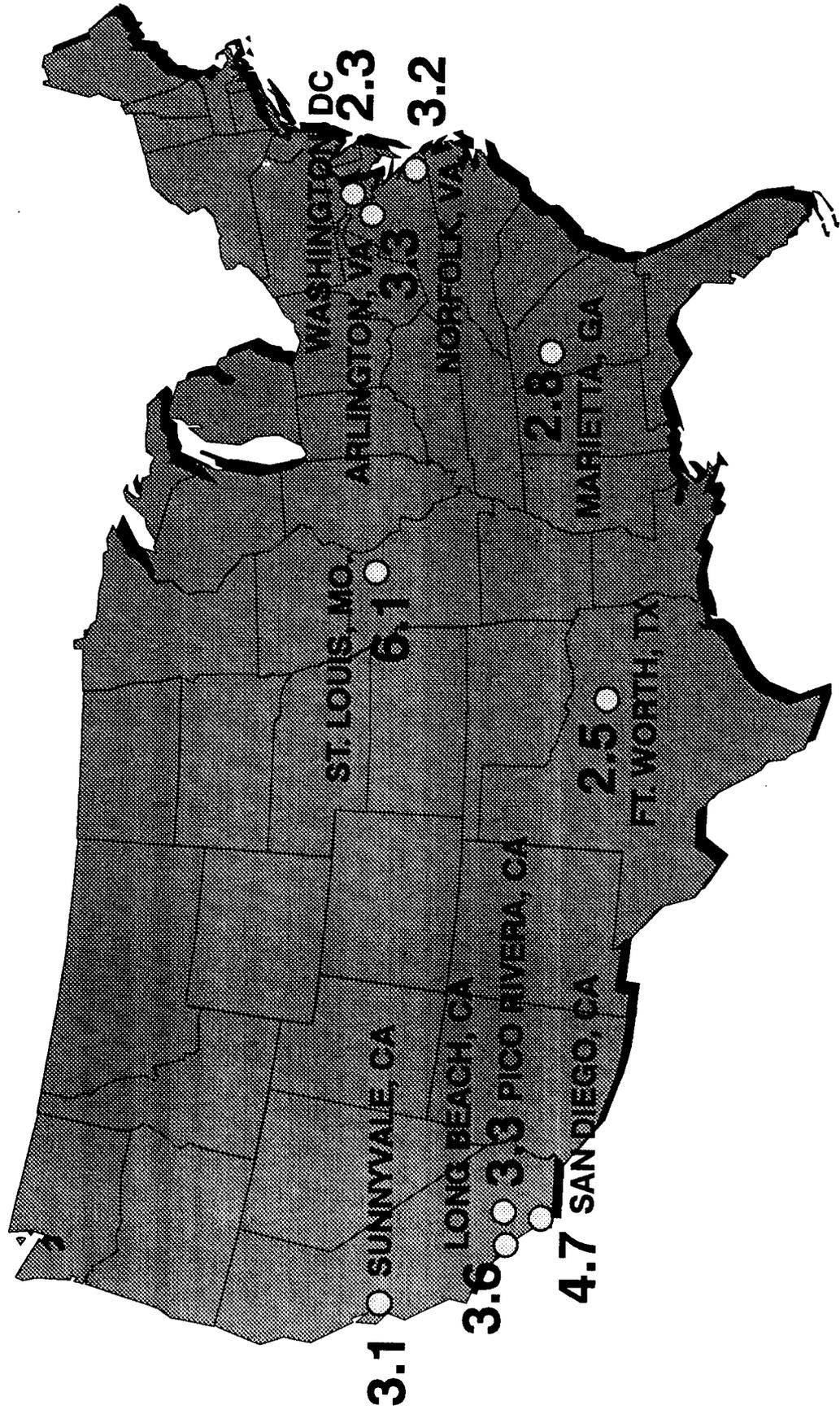
- **California - A Viable, Strong Business State**
  - Entrepreneurial, diversified
  - Rate of employment outranks most states
    - 17% of newly created jobs
  - Science based industries
    - 27% of U.S. computer industry
    - 30% of U.S. biotech sectors
  - No. of businesses leaving state down 29%
  - Rental costs for office space down 50%
  - Strong global ties
    - Partnership with Mexico
    - Gateway to Pacific Rim
  - Predominant state supporting DoD

*By economy in the world.*

# Comparison of DoD Expenditures (\$B)

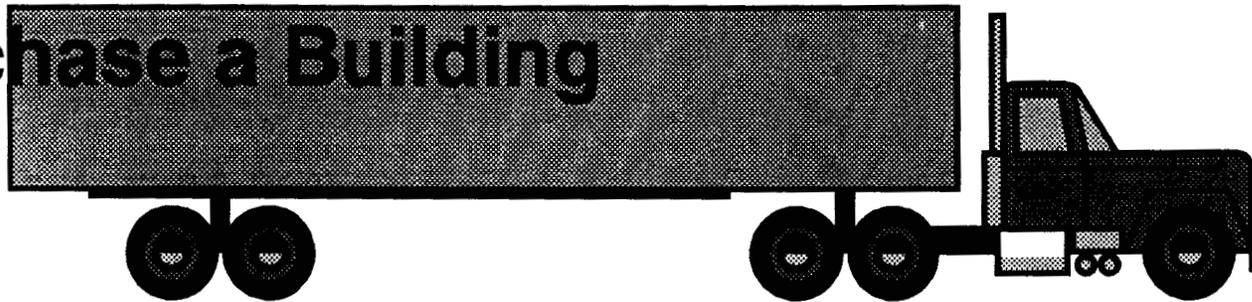
<u>STATE</u>	<u>PAYROLL</u>	<u>PRIME CONTRACTS</u>
California	13.5	22.6
Massachusetts	1.8	5.1
Georgia	4.3	4.1
U.S. Total	99.8	110.3

# DoD Expenditure Top Ten Locations (\$B)



# BRAC 95 Redirection

- **Absorb a Portion of DCMD South**
- **Relocate to Government Facility**
- **Relocate to Least Cost Commercial Facility**
- **Purchase a Building**



- **Advantages**
  - **Broader Range of Options for Relocation**
  - **Ability to Negotiate When Rates are Low**

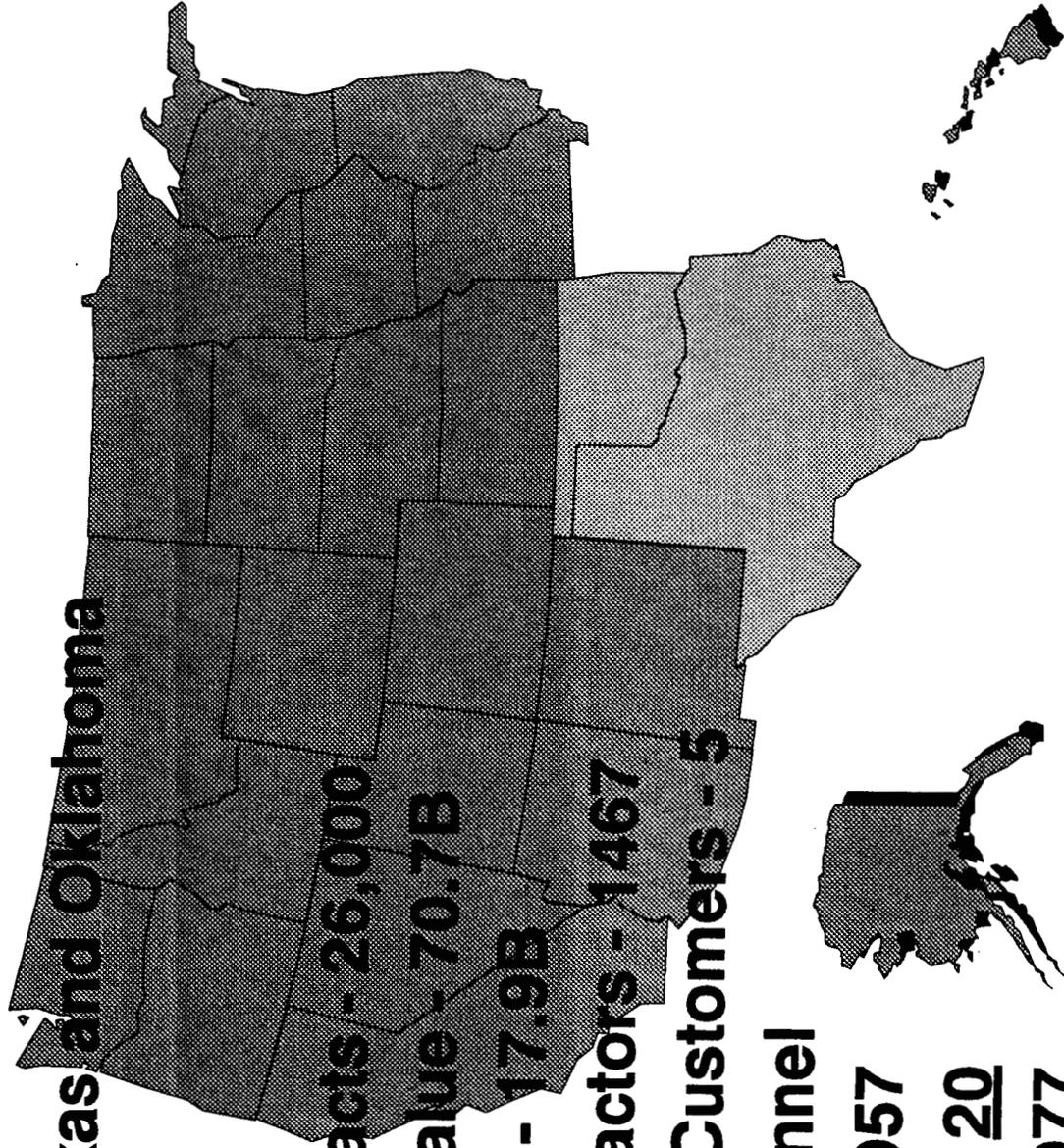
# BRAC Decisions and Impact

- DCMD South
  - States of Texas and Oklahoma
  - 2 DCMAOs
  - 7 DPROs
  - No. of Contracts - 26,000
  - Contract \$ Value - 70.7B
  - ULO \$ Value - 17.9B
  - No. of Contractors - 1467
  - No. of Lead Customers - 5
  - No. of Personnel

CAO - 957

HQ - 20

Total 977



Ty,

The following information is forwarded per your request:

Current space requirement: 65,000 office net uscable space

FY 96 space requirement: 57,500 office net useable space (less tennant space)

Note: If the District HQ relocated or constructed a building, Gross space would be approximately 72,000 sq ft.

Current authorized positions: 301 (District HQ bldg)

FY 96 positions projection: 280 (District HQ bldg)

Lease cost (less tennants costs and recent return of 1 floor space to GSA): \$3.4M

Purchase and rennovation costs (as of Sep 94): \$5.4M

Let me know if I can be of further service.

betty w.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

# of pages 1

To <i>Ty</i>	From <i>B. Wilson</i>
Dept./Agency <i>BRAC JC</i>	Phone # <i>310-335-3970</i>
Fax # <i>703-696-0550</i>	Fax # <i>4369</i>

NSN 7540-01-317-7369

5099-101

GENERAL SERVICES ADMINISTRATION

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**MATLOW-KENNEDY COMMERCIAL**

---

4510 East Pacific Coast Highway, Suite 100  
Long Beach, California 90804-3227  
Phone: (310) 498-8889 • Fax: (310) 597-2334

---

**Date:** Apr 20, 1995

Market Rates

**Time:** 6:18 PM

**Pages:** 14 (Including Cover)

**To:** Norma Lefkowitz  
213-894-5922

**From:** Scott C Frazier  
310-597-2334

**Subject:** GSA Requirement, 40-50,000sf

**Message:** Attached per your request is a rental survey for properties in El Segundo and Long Beach with 40,000 to 50,000 sf available. Please contact either Robert or I with any questions. We look forward to working with you further on this requirement.

APR-20-95 THU 19:25

<p><b>115 Pine Building</b> 115 Pine Avenue Long Beach, CA 90802 Site# 133</p>	<p>Historical mid-rise situated along Pine Avenue. Renovated in 1989. The building formerly was the Bank of America branch. L'Opera in ground floor.</p>	<p>Total SF: 60,000 Avail SF: 36,089 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.10 FSG</p>	<p>Op Exp: Base Year Escal: COLA TI Allow: Negotiable - Relet Load: 12.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 6/Age: 93 yrs.</p>
<p><b>3545 Building</b> 3545 Long Beach Boulevard Long Beach, CA 90807 Site# 172</p>	<p>5 story steel and glass office building. Parking structure adjacent to project. Building under new ownership. No longer charging for parking</p>	<p>Total SF: 60,850 Avail SF: 41,862 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.25 FSG</p>	<p>Op Exp: Base year Escal: Flat TI Allow: Minimal Load: 12.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: No Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 5/Age: 12 yrs.</p>
<p><b>3711 Building</b> 3711 Long Beach Boulevard Long Beach, CA 90807 Site# 126</p>	<p>Ten story older traditional office building. Existing medical suite 1,319 s.f @ 1.25/s.f</p>	<p>Total SF: 106,487 Avail SF: 62,068 Lse Rate (H): \$1.10 FSG Lse Rate (L): \$1.00 FSG</p>	<p>Op Exp: Base Year Escal: CPI TI Allow: Minimal - Relet Load: 10.0%</p>	<p>Pkg Ratio: 2.5/1000 Reserved: Yes Pkg Chg 1: \$30.00 Pkg Chg 2: \$0.00 Floors: 10/Age: 26 yrs.</p>
<p><b>5000 Spring Building</b> 5000 Spring Street Long Beach, CA 90815 Site# 189</p>	<p>Premium steel &amp; glass building located in master planned park. Marriott hotel within walking distance. Building has northerly view of golf course.</p>	<p>Total SF: 156,293 Avail SF: 57,240 Lse Rate (H): \$1.95 FSG Lse Rate (L): \$1.95 FSG</p>	<p>Op Exp: Base Year Escal: COLA TI Allow: Workletter Load: 12.5%</p>	<p>Pkg Ratio: 4/1000 Reserved: No Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 8/Age: 7 yrs.</p>
<p><b>Arco Center I</b> 100 Oceanside Long Beach, CA 90802 Site# 247</p>	<p>Modern steel-glass structure. Part of a twin tower complex. Has LaGrutte in building, snack bar on plaza level. Additional SF available in near term.</p>	<p>Total SF: 218,298 Avail SF: 35,309 Lse Rate (H): \$1.90 FSG Lse Rate (L): \$1.75 FSG</p>	<p>Op Exp: Base Year Escal: Mid-term COLA TI Allow: \$25/sf workletter Load: 13.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$45.00 Pkg Chg 2: \$110.00 Floors: 14/Age: 12 yrs.</p>

This information has been furnished from sources which we deem reliable, but for which we assume no liability. The information contained herein is given in confidence, with the understanding that all regulations pertaining to this property be handled through the retaining office. All measurements are approximate.



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REAL ESTATE SERVICES

P. 02/14

<b>Catalina Landing</b> 310-340 Golden Shore Long Beach, CA 90802 Site# 423	Water oriented traditional office buildings. Four buildings located at water's edge most with panoramic water or city views. Restaurant on site.	Total SF: 275,000 Avail SF: 98,495 Lse Rate (H): \$1.40 FSG Lse Rate (L): \$1.40 FSG	Op Exp: Base Year Escal: COLA TI Allow: Negotiable Load: 16.0%	Pkg Ratio: 3.5/1000 Reserved: Yes Pkg Chg 1: \$65.00 Pkg Chg 2: \$55.00 Floors: 4/Age: 10 yrs.
<b>Crocker Plaza</b> 180 E. Ocean Long Beach, CA 90802 Site# 25:	Traditional steel and glass mid-rise along Ocean Boulevard. BOMA Award winning building. Sublease available for up to 2 floors, 112,000rsf (Star-Kist)	Total SF: 195,199 Avail SF: 10,562 Lse Rate (H): \$1.80 FSG Lse Rate (L): \$1.60 FSG	Op Exp: Base Year Escal: COLA TI Allow: Negotiable - Relet Load: 16.0%	Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$38.00 Pkg Chg 2: \$0.00 Floors: 12/Age: 13 yrs.
<b>Hughes Freeway Center</b> 515 Hughes Way Long Beach, CA 90810 Site# 421	Traditional steel & glass office building. Formerly occupied by Hughes Aerospace. Building has been converted to a multi-tenant building.	Total SF: 80,000 Avail SF: 80,000 Lse Rate (H): \$1.40 FSG Lse Rate (L): \$1.40 FSG	Op Exp: Base Year Escal: COLA TI Allow: Negotiable Load: 15.0%	Pkg Ratio: 4/1000 Reserved: No Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 4/Age: 11 yrs.
<b>Hughes Freeway Center</b> 901 Via Oro Road Long Beach, CA 90810 Site# 422	Traditional CTU office building located in Interchange business park. Formerly housed high tech groups associated with Hughes, converted to	Total SF: 47,916 Avail SF: 47,916 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.25 FSG	Op Exp: Base Year Escal: COLA TI Allow: Negotiable Load: 13.0%	Pkg Ratio: 4/1000 Reserved: No Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 9 yrs.
<b>Wilroy Airport Center 1b</b> 880 Kibrey Airport Way Long Beach, CA 90806 Site# 188	Higher quality concrete tilt up (CTU) building. Phase one of 50 acre master planned park.	Total SF: 96,013 Avail SF: 96,013 Lse Rate (H): \$2.00 FSG Lse Rate (L): \$1.90 FSG	Op Exp: Base Year Escal: COLA TI Allow: Negotiable Load: 12.0%	Pkg Ratio: 4/1000 Reserved: No Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 8 yrs.

This information has been furnished in confidence and is not to be disseminated without the express written consent of the provider. The information contained herein is for your information only and does not constitute an offer. All measurements are approximate.



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**Kilroy Airport Center II-8**

3780 Kilroy Airport Way  
Long Beach, CA 90806

Site# 185

Premium quality, stone and glass clad building with prime freeway (405) visibility and identity. Part of master planned park. Minimum 5 year term.

Total SF: 227,274  
Avail SF: 52,205  
Lse Rate (H): \$2.25 FSG  
Lse Rate (L): \$2.20 FSG

Op Exp: \$6.91/Base Year  
Escal: COLA  
TI Allow: \$30/s.f.  
Load: 14.0%

Pkg Ratio: 4/1000  
Reserved: No  
Pkg Chg 1: \$0.00  
Pkg Chg 2: \$0.00  
Floors: 8/Age: 6 yrs.

**Landmark Square**

11 West Ocean Boulevard  
Long Beach, CA 90802

Site# 252

Traditional steel and glass high-rise along Ocean Boulevard. Dramatic lobby area with commissioned murals. Adjacent to restaurants, hotel, Blue-line.

Total SF: 440,035  
Avail SF: 154,648  
Lse Rate (H): \$2.00 FSG  
Lse Rate (L): \$1.75 FSG

Op Exp: Base Year  
Escal: Negotiable  
TI Allow: Workletter  
Load: 15.0%

Pkg Ratio: 4/1000  
Reserved: Yes  
Pkg Chg 1: \$50.00  
Pkg Chg 2: \$0.00  
Floors: 22/Age: 5 yrs.

**Oceangate Tower**

500 Oceangate  
Long Beach, CA 90802

Site# 249

Traditional steel and glass mid-rise along Ocean Boulevard. Renovated in 1992. New glass skin in 1993. Health club on site. #645, 1,947sf #650

Total SF: 200,193  
Avail SF: 59,847  
Lse Rate (H): \$2.10 FSG  
Lse Rate (L): \$1.60 FSG

Op Exp: Base Year  
Escal: COLA  
TI Allow: Negotiable  
Load: 12.0%

Pkg Ratio: 3/1000  
Reserved: No  
Pkg Chg 1: \$50.00  
Pkg Chg 2: \$0.00  
Floors: 15/Age: 24 yrs.

**Park Tower**

50 E. Pacific Coast Hwy.  
Long Beach, CA 90804

Site# 115

Steel and glass mid-rise building. Underground parking with valet visitor parking. Suite 510, 1,928 rsf available.

Total SF: 110,000  
Avail SF: 46,756  
Lse Rate (H): \$1.50 FSG  
Lse Rate (L): \$1.50 FSG

Op Exp: Base Year  
Escal: Annual CPI  
TI Allow: Minimal  
Load: 12.0%

Pkg Ratio: 3/1000  
Reserved: Yes  
Pkg Chg 1: \$30.00  
Pkg Chg 2: \$45.00  
Floors: 7/Age: 13 yrs.

**Perburne Office Building**

77 Long Beach Boulevard  
Long Beach, CA 90807

Site# 194

Previous Earth-Technology building. Not occupied since 1988. May be divided for full floor user (Approx. 8,000 sf)

Total SF: 43,000  
Avail SF: 43,000  
Lse Rate (H):  
Lse Rate (L):

Op Exp: TBD  
Escal: COLA  
TI Allow: Negotiable  
Load: 12.0%

Pkg Ratio: 4/1000  
Reserved: No  
Pkg Chg 1: \$0.00  
Pkg Chg 2: \$0.00  
Floors: 5/Age: 37 yrs.

This information has been furnished from sources which we deem reliable, but for which we assume no liability. The information contained herein is given as a reference, with the understanding that negotiations pending in this property by licensed real estate brokers appearing in this property by licensed real estate brokers appearing in this property.



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REAL ESTATE SERVICES

<p><b>Shoreline Square</b> 301 E. Ocean Avenue Long Beach, CA 90802 Site# 136</p>	<p>Premium high-rise along Ocean Boulevard with city/water views. Adjacent to Sheraton Hotel. Suite 450 2,017 rsf available.</p>	<p>Total SF: 366,155 Avail SF: 34,653 Lse Rate (H): \$1.85 FSG Lse Rate (L): \$1.60 FSG</p>	<p>Op Exp: Base Year Escal: COLA TI Allow: Workletter Load: 15.0%</p>	<p>Pkg Ratio: 2.5/1000 Reserved: Yes Pkg Chg 1: \$50.00 Pkg Chg 2: \$0.00 Floors: 21/Age: 6 yrs.</p>
<p><b>South Bay Business Center</b> 4001 Via Oro Avenue Long Beach, CA 90810 Site# 181</p>	<p>Two story R&amp;D/Office/Warehouse combination space adjacent to freeways (710 &amp; 405) in business park environment.</p>	<p>Total SF: 81,000 Avail SF: 54,932 Lse Rate (H): \$1.09 FSG Lse Rate (L): \$1.09 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 0.0%</p>	<p>Pkg Ratio: 4/1000 Reserved: No Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 10 yrs.</p>
<p><b>Southmark Financial Center</b> 401 E. Ocean Boulevard Long Beach, CA 90802 Site# 274</p>	<p>Traditional steel and glass office building along Ocean Avenue. Partial ocean and city views.</p>	<p>Total SF: 126,972 Avail SF: 88,000 Lse Rate (H): \$1.55 FSG Lse Rate (L): \$1.25 FSG</p>	<p>Op Exp: Base Year Escal: COLA TI Allow: Negotiable - Retail Load: 15.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$75.00 Pkg Chg 2: \$45.00 Floors: 10/Age: 11 yrs.</p>
<p><b>Sumitomo Tower</b> 444 W. Ocean Boulevard Long Beach, CA 90802 Site# 250</p>	<p>Traditional steel and glass mid-rise building along Ocean Boulevard. Renovated in 1992 common areas. Suite 1000, 1,921 rsf available.</p>	<p>Total SF: 181,803 Avail SF: 50,975 Lse Rate (H): \$1.55 FSG Lse Rate (L): \$1.55 FSG</p>	<p>Op Exp: Base Year Escal: Annual COLA TI Allow: Negotiable Load: 14.0%</p>	<p>Pkg Ratio: 3.6/1000 Reserved: Yes Pkg Chg 1: \$60.00 Pkg Chg 2: \$30.00 Floors: 17/Age: 27 yrs.</p>
<p><b>World Trade Center</b> The World Trade Center Long Beach, CA 90831 Site# 253</p>	<p>Premier steel and glass, granite clad building. World Trade Center designation. Adjacent to restaurants, hotel, banking and retail. World Trade Club on site.</p>	<p>Total SF: 558,010 Avail SF: 85,931 Lse Rate (H): \$2.25 FSG Lse Rate (L): \$2.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: \$32-\$40/USP Load: 16.0%</p>	<p>Pkg Ratio: 2.75/1000 Reserved: Yes Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 27/Age: 7 yrs.</p>

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**MATLOW-KENNEDY COMMERCIAL**  
REAL ESTATE SERVICES

**BUILDING REPORT**

Prepared For: Ms. Norma Montero  
U.S. GSA

Prepared By: ROBERT GAREY  
APR 20, 1995

101 N. Sepulveda Blvd. 101 N. Sepulveda Blvd. El Segundo, CA 90245 Site# 373	3 story office building with 3 minun court areas. Available space: 10,000 to 125,000 sq. ft. 1st Floor 65,000 sq. ft.	Total SF: 210,000 Avail SF: 125,000 Lse Rate (H): \$1.50 FSG Lse Rate (L): \$1.50 FSG	Op Exp: Base Year Escal: COLA. TI Allow: Negotiable Load: 14.0%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 11 yrs.
---	---	--	--	--

2041 Rosecrans Ave. 2041 Rosecrans Ave. El Segundo, CA 90245 Site# 364	3 story office building. Avail. space: 2nd Fl 3,306; 3rd Fl 861/14,876.	Total SF: 70,000 Avail SF: 19,043 Lse Rate (H): \$1.50 FSG Lse Rate (L): \$1.50 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 8.5%	Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 15 yrs.
---	---	--	--	---

2221 Rosecrans Ave. 2221 Rosecrans Ave. El Segundo, CA 90245 Site# 362	2 story office building. Avail. space: 2nd Fl 3,138.	Total SF: 60,000 Avail SF: 3,138 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.25 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.4%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 21 yrs.
---	--	---	---	---

2260 E. El Segundo Boulevard 2260 E. El Segundo Blvd. El Segundo, CA 90245 Site# 332	2 story office building. Entire building available; smallest divisible space is 23,000 sf.	Total SF: 112,800 Avail SF: 112,800 Lse Rate (H): \$1.15 MNN Lse Rate (L): \$1.15 MNN	Op Exp: Net Escal: Negotiable TI Allow: Negotiable Load:	Pkg Ratio: 3/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 16 yrs.
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2401 El Segundo Blvd. 2401 El Segundo Blvd. El Segundo, CA 90245 Site# 370	6 story office building. Avail. space: 3,500 to 107,000 sf.	Total SF: 107,000 Avail SF: 107,000 Lse Rate (H): \$1.40 FSG Lse Rate (L): \$1.40 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 10.0%	Pkg Ratio: 3.3/1000 Reserved: Pkg Chg 1: \$25.00 Pkg Chg 2: \$0.00 Floors: 6/Age: 13 yrs.
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The information has been furnished from sources which we deem reliable, but for which we assume no liability. The information contained herein is given in confidence, with the understanding that all information pertains to the property to be leased through the information office. All statements are approximate.

**BUILDING REPORT**

Prepared For: **Ms. Norma Montero**  
**U.S. GSA**

Prepared By: **ROBERT GAREY**  
**APR 20, 1995**

<b>831 S. Douglas Street</b>  831 S. Douglas Street El Segundo, CA 90245  Site# 363	1 story office building. Avail. space: 5192.	Total SF: 60,446 Avail SF: 5,192 Lse Rate (H): \$1.15 FSG Lse Rate (L): \$1.15 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 9.0%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 1/Age: 30 yrs.
<b>840 Apollo Street</b>  840 Apollo Street El Segundo, CA 90245  Site# 366	3 story office building. Available space: 529 to 1,831.	Total SF: 84,782 Avail SF: 4,481 Lse Rate (H): \$1.40 FSG Lse Rate (L): \$1.40 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 14.0%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 16 yrs.
<b>871 Nash Street</b>  871 Nash Street El Segundo, CA 90245  Site# 365	3 story office building. Avail. space: 1st Fl 13,369; 3rd Fl 25,237.	Total SF: 72,500 Avail SF: 38,606 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.15 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.2%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 22 yrs.
<b>Continental Grand Plaza</b>  300 Continental Blvd. El Segundo, CA 90245  Site# 329	6 story office building. Available space: Gr. Fl 9,670 sf (sublease); 3rd 1926/6494; 4th 756; 5th 2697.	Total SF: 240,000 Avail SF: 11,833 Lse Rate (H): \$1.95 FSG Lse Rate (L): \$1.90 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 14.6%	Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 6/Age: 9 yrs.
<b>Continental Park Terrace</b>  2361 - 2381 Rosecrans Ave. El Segundo, CA 90245  Site# 360	4 story office building. Avail. space: 1st 19885; 3rd 7220; 4th 4417.	Total SF: 189,000 Avail SF: 32,641 Lse Rate (H): \$1.75 FSG Lse Rate (L): \$1.75 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 12.5%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 4/Age: 3 yrs.

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**BUILDING REPORT**

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U.S. GSA

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APR 20, 1995

<b>El Segundo Research II</b> 501 Continental Blvd. El Segundo, CA 90245 Site# 327	2 story R&D office building.	Total SF: 100,000 Avail SF: 0 Use Rate (H): \$1.55 FSG Use Rate (L): \$1.55 NNN	Op Exp: Net Escal: N/A TI Allow: N/A Load:	Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 9 yrs.
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<b>El Segundo Research Phase II</b> 550 Continental Blvd. El Segundo, CA 90245 Site# 328	3 story R&D office building.	Total SF: 100,000 Avail SF: 0 Use Rate (H): \$1.85 NNN Use Rate (L): \$1.85 NNN	Op Exp: Net Escal: N/A TI Allow: N/A Load: 12.0%	Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 9 yrs.
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<b>Kilroy Airport Center II</b> 2250-2260 Imperial Hwy. El Segundo, CA 90245 Site# 334	2-12 story office bldg. & 1-13 story parking structure w/office space on top. Avail. sp.: 2nd 1621; 3rd 1034/1977/5224; 5th 2680; 7th 24107.	Total SF: 700,000 Avail SF: 38,480 Use Rate (H): \$1.95 FSG Use Rate (L): \$1.95 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.3%	Pkg Ratio: 4/1000 Reserved: Yes Pkg Chg 1: \$40.00 Pkg Chg 2: \$60.00 Floors: 12/Age: 12 yrs.
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<b>Kilroy Building</b> 2101 E. El Segundo Blvd. El Segundo, CA 90245 Site# 331	5 story office building. Available space: 0	Total SF: 112,075 Avail SF: 0 Use Rate (H): \$1.85 FSG Use Rate (L): \$1.85 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 10.0%	Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 5/Age: 15 yrs.
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<b>LAX Business Center</b> 300, 360, 390 Sepulveda Bl. El Segundo, CA 90245 Site# 337	Three - 3 story office buildings. Avail. space: 300 Bldg. 1st Fl 6659; 2nd 9917; 360 Bldg. 1st Fl 1343 to 4228; 2nd 1343 to 5194; 390 Bldg. 1st Fl 2303; 2nd 36628.	Total SF: 330,000 Avail SF: 66,599 Use Rate (H): \$1.50 FSG Use Rate (L): \$1.30 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 12.0%	Pkg Ratio: 4/1000 Reserved: Yes Pkg Chg 1: \$30.00 Pkg Chg 2: \$55.00 Floors: 3/Age: 15 yrs.
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**BUILDING REPORT**

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**APR 20, 1995**

<p><b>Pacific Corporate Towers</b>                       100 N. Sepulveda Blvd.                      El Segundo, CA 90245                       Site# 335</p>	<p>20 story office building                      (part of 3 building                      complex). Avail. space:                      Gr. Fl 3,332 sf; 4th Fl                      3,770 sf 10th Fl 8,896                      sf. Sublease -37,000 sf                      thru 5/01 @ \$1.25</p>	<p>Total SF: 500,000                      Avail SF: 15,730                      Lse Rate (H): \$1.90 FSG                      Lse Rate (L): \$1.90 FSG</p>	<p>Op Exp: Base Year                      Escal: Negotiable                      TI Allow: Negotiable                      Load: 14.0%</p>	<p>Pkg Ratio: 4/1000                      Reserved:                      Pkg Chg 1: \$45.00                      Pkg Chg 2: \$0.00                      Floors: 20/Age: 13 yrs.</p>
<p><b>Pacific Corporate Towers</b>                       222 N. Sepulveda Blvd.                      El Segundo, CA 90245                       Site# 336</p>	<p>24 story office building.                      Available space: 13th                      411 to 2512; 14th 1285/                      2462; 15th 846 to 2347;                      16th 846 to 7376; 17th                      4990; 22nd 13465.</p>	<p>Total SF: 543,831                      Avail SF: 51,339                      Lse Rate (H): \$1.90 FSG                      Lse Rate (L): \$1.90 FSG</p>	<p>Op Exp: Base Year                      Escal: Negotiable                      TI Allow: Negotiable                      Load: 14.0%</p>	<p>Pkg Ratio: 4/1000                      Reserved:                      Pkg Chg 1: \$45.00                      Pkg Chg 2: \$0.00                      Floors: 24/Age: 13 yrs.</p>
<p><b>West Bay Plaza</b>                       2201 El Segundo Blvd.                      El Segundo, CA 90245                       Site# 330</p>	<p>2 story office building.</p>	<p>Total SF: 48,000                      Avail SF: 48,000                      Lse Rate (H): \$0.95 FSG                      Lse Rate (L): \$0.95 FSG</p>	<p>Op Exp: Base Year                      Escal: Negotiable                      TI Allow: Negotiable                      Load:</p>	<p>Pkg Ratio: 5/1000                      Reserved:                      Pkg Chg 1: \$0.00                      Pkg Chg 2: \$0.00                      Floors: 2/Age: 21 yrs.</p>
<p><b>Xerox Center</b>                       101 Continental Blvd.                      El Segundo, CA 90245                       Site# 326</p>	<p>15 story office building.</p>	<p>Total SF: 326,163                      Avail SF: 0                      Lse Rate (H): \$1.65 FSG                      Lse Rate (L): \$1.65 FSG</p>	<p>Op Exp: Base Year                      Escal: Negotiable                      TI Allow: Negotiable                      Load:</p>	<p>Pkg Ratio: 4/1000                      Reserved: Yes                      Pkg Chg 1: \$45.00                      Pkg Chg 2: \$0.00                      Floors: 15/Age: 25 yrs.</p>
<p><b>Xerox Centre Phase II</b>                       1960 Grand Avenue                      El Segundo, CA 90245                       Site# 333</p>	<p>12 story office building.                      Available space: 1,024                      to 43,062.</p>	<p>Total SF: 255,000                      Avail SF: 54,050                      Lse Rate (H): \$1.60 FSG                      Lse Rate (L): \$1.60 FSG</p>	<p>Op Exp: Base Year                      Escal: Negotiable                      TI Allow: Negotiable                      Load: 11.2%</p>	<p>Pkg Ratio: 4/1000                      Reserved:                      Pkg Chg 1: \$45.00                      Pkg Chg 2: \$0.00                      Floors: 12/Age: 8 yrs.</p>

This information has been furnished from sources which are deemed reliable, but for which we assume no liability. The information contained herein is given in confidence, with the understanding that all negotiations pertaining to this property be handled through the advertising office. All measurements are approximate.

**BUILDING REPORT**

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APR 20, 1995

<p><b>5777 W. Century Plaza</b>  5777 W. Century Blvd. Los Angeles, CA 90045  Site# 355</p>	<p>17 story office building. Avail. space: 215,325 sf on various floor</p>	<p>Total SF: 472,531 Avail SF: 215,325 Lse Rate (H): \$1.10 FSG Lse Rate (L): \$0.85 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 15.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$65.00 Pkg Chg 2: \$85.00 Floors: 17/Age: 13 yrs.</p>
<p><b>6171 Century Building</b>  6171 W. Century Blvd. Los Angeles, CA 90045  Site# 346</p>	<p>3 story office building.</p>	<p>Total SF: 90,000 Avail SF: 53,762 Lse Rate (H): \$1.20 FSG Lse Rate (L): \$1.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 14.0%</p>	<p>Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 17 yrs.</p>
<p><b>Airport Center I</b>  6151 Century Blvd. Los Angeles, CA 90045  Site# 344</p>	<p>12 story bldg. Avail. space: 1st Fl 3316; 2nd 2884; 4th 19165; 5th 8551; 7th 11184; 8th 9376; 9th 12302; 10th 1511; 12th 12000. Sublease - 5255 thru</p>	<p>Total SF: 227,335 Avail SF: 89,248 Lse Rate (H): \$1.15 FSG Lse Rate (L): \$1.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 12.0%</p>	<p>Pkg Ratio: 3.5/1000 Reserved: Yes Pkg Chg 1: \$60.00 Pkg Chg 2: \$90.00 Floors: 12/Age: 28 yrs.</p>
<p><b>Airport Center II</b>  5959 Century Blvd. Los Angeles, CA 90045  Site# 343</p>	<p>14 story office building. Available space: 3rd Fl 16500; 4th 16500; 5th 1242; 6th 16650; 7th 16800; 9th 921; 12th 8948; 14th 850.</p>	<p>Total SF: 214,106 Avail SF: 59,490 Lse Rate (H): \$1.15 FSG Lse Rate (L): \$1.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.0%</p>	<p>Pkg Ratio: 3.5/1000 Reserved: Yes Pkg Chg 1: \$60.00 Pkg Chg 2: \$90.00 Floors: 14/Age: 31 yrs.</p>
<p><b>Airport Center III</b>  9841 Airport Blvd. Los Angeles, CA 90045  Site# 353</p>	<p>14 story bldg. Avail. sp.: 2nd 3289; 3rd 8051; 4th 2403/3014; 5th 881/1818/ 4138/7562; 7th 18161; 8th 6736; 9th 1925/2973; 10th 3670; 11th 4423.</p>	<p>Total SF: 268,431 Avail SF: 81,531 Lse Rate (H): \$1.15 FSG Lse Rate (L): \$1.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 11.0%</p>	<p>Pkg Ratio: 3.5/1000 Reserved: Yes Pkg Chg 1: \$60.00 Pkg Chg 2: \$90.00 Floors: 14/Age: 26 yrs.</p>

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**BUILDING REPORT**

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U.S. GSA

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APR 20, 1995

APR-20-95 THU 19:30

<p><b>Airport Office Center - 8929</b> 8929 S. Sepulveda Blvd. Los Angeles, CA 90045  Site# 350</p>	<p>5 story office building. Avail. space: 2nd Fl 861/2560; 3rd 941; 4th 980/4812; 5th 2740/ 2740; 5th 3157.</p>	<p>Total SF: 67,500 Avail SF: 19,762 Lse Rate (H): \$1.30 FSG Lse Rate (L): \$1.20 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 14.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Pkg Chg 1: \$33.00 Pkg Chg 2: \$0.00 Floors: 5/Age: 32 yrs.</p>
<p><b>Airport Office Center - 8939</b> 8939 S. Sepulveda Blvd. Los Angeles, CA 90045  Site# 351</p>	<p>5 story office building. Avail. space: 2nd 614 (962/ 1364/1422/1804; 3rd 995/ 1155/2989; 4th 538; 5th 352/916/5127.</p>	<p>Total SF: 67,500 Avail SF: 18,238 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.25 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 14.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Pkg Chg 1: \$33.00 Pkg Chg 2: \$0.00 Floors: 5/Age: 32 yrs.</p>
<p><b>Century Boulevard Tower</b> 5757 W. Century Blvd. Los Angeles, CA 90045  Site# 341</p>	<p>8 story office building. Avail. space: GF 19218 (divisible from 260 to 10295 sf); 2nd - 8th Fl has suites from 683 to 30,923 sf.</p>	<p>Total SF: 319,294 Avail SF: 152,561 Lse Rate (H): \$1.35 FSG Lse Rate (L): \$0.75 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$49.50 Pkg Chg 2: \$82.50 Floors: 8/Age: 15 yrs.</p>
<p><b>Control Data Building</b> 8616 La Tijera Blvd. Los Angeles, CA 90045  Site# 354</p>	<p>5 story office building. Avail. space: 2nd fl 865/1600; 3rd 220/299/ 755/ 1097/3132; 4th 381/1622.</p>	<p>Total SF: 50,000 Avail SF: 9,971 Lse Rate (H): \$1.00 FSG Lse Rate (L): \$1.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 5/Age: 31 yrs.</p>
<p><b>First Nationwide Bank</b> 9800 S. Sepulveda Blvd. Los Angeles, CA 90045  Site# 352</p>	<p>8 story office building. Avail. space: 295 to 100,000 sf.</p>	<p>Total SF: 100,000 Avail SF: 100,000 Lse Rate (H): \$1.10 FSG Lse Rate (L): \$0.95 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.7%</p>	<p>Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 8/Age: 32 yrs.</p>

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**BUILDING REPORT**

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U.S. GSA

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APR 20, 1995

APR-20-95 THU 19:31

<p><b>Interamerican Building</b>  12000 Aviation Blvd. Los Angeles, CA 90045  Site# 338</p>	<p>2 story office building. Available space: 0. Tenant pays for their own electricity.</p>	<p>Total SF: 48,000 Avail SF: 0 Lse Rate (H): \$1.25 MG Lse Rate (L): \$1.25 MG</p>	<p>Op Exp: Mod. Gross Escal: Negotiable TI Allow: Negotiable Load: 0.0%</p>	<p>Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 14 yrs.</p>
<p><b>KB Airport Center</b>  5250-5300 W. Century Blvd. Los Angeles, CA 90045  Site# 340</p>	<p>Two 7 story office buildings. Avail. space: 1st Fl 6537; 2nd 5193; 9028; 4th 5328; 5th 12500; 6th 12500; 7th 12500.</p>	<p>Total SF: 158,000 Avail SF: 63,536 Lse Rate (H): \$0.80 FSG Lse Rate (L): \$0.80 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 12.0%</p>	<p>Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$42.00 Pkg Chg 2: \$0.00 Floors: 7/Age: 28 yrs.</p>
<p><b>Pacific Concourse Phase I</b>  5200-5230 Pacific Concourse Dr. Los Angeles, CA 90045  Site# 345</p>	<p>3 story office building. Available space: 1st Fl 3,839; 2nd 22,770; 3rd 9,421. Sublease 16,341 sq. ft. (Bldg #2) through 6/20/95 @ \$1.65/mo.</p>	<p>Total SF: 68,086 Avail SF: 36,030 Lse Rate (H): \$2.00 FSG Lse Rate (L): \$2.00 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 12.7%</p>	<p>Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 6 yrs.</p>
<p><b>Paradise Building</b>  9100 S. Sepulveda Blvd. Los Angeles, CA 90045  Site# 349</p>	<p>2 story office building. Avail. space: GF 509/592/ 632/832/1462/ 2179; 2nd fl 632/1055/ 2162.</p>	<p>Total SF: 37,000 Avail SF: 10,055 Lse Rate (H): \$1.40 FSG Lse Rate (L): \$1.20 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Pkg Chg 1: \$33.00 Pkg Chg 2: \$0.00 Floors: 2/Age: 14 yrs.</p>
<p><b>Royal Airport Center</b>  5933 W. Century Blvd. Los Angeles, CA 90045  Site# 342</p>	<p>12 story office building. Available space: GF 1538/2072; 2nd 5210; 4th 1352/4102; 6th 1431; 11th 11553.</p>	<p>Total SF: 206,760 Avail SF: 27,258 Lse Rate (H): \$1.25 FSG Lse Rate (L): \$1.25 FSG</p>	<p>Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 13.0%</p>	<p>Pkg Ratio: 3/1000 Reserved: Yes Pkg Chg 1: \$60.50 Pkg Chg 2: \$99.00 Floors: 12/Age: 12 yrs.</p>

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**BUILDING REPORT**

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**U.S. GSA**

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**APR 20, 1995**

<b>Skyview Center - Phase I</b>	<b>12 story bldg. Avail. space: 2nd Fl 10772; 3rd 7567/097; 5th 5985; 6th 2678; 7th 4946; 8th 3321; 9th 2144; 11th 5652; 12th 1907.</b>	<b>Total SF: 198,000</b>	<b>Op Exp: Base Year Escal: Negotiable TT Allow: Negotiable Load: 12.0%</b>	<b>Pkg Ratio: 4/1000 Reserved: Yes Pkg Chg 1: \$50.00 Pkg Chg 2: \$71.50 Floors: 12/Age: 14 yrs.</b>
<b>6033 W. Century Blvd. Los Angeles, CA 90045</b>		<b>Avail SF: 44,257</b>		
<b>Site# 347</b>		<b>Use Rate (H): \$1.35 FSG</b>		
		<b>Use Rate (L): \$1.35 FSG</b>		

<b>Skyview Center - Phase II</b>	<b>11 story office building. Available space: 5th 771/5453; 11th 3302.</b>	<b>Total SF: 196,000</b>	<b>Op Exp: Base Year Escal: Negotiable TT Allow: Negotiable Load: 12.0%</b>	<b>Pkg Ratio: 4/1000 Reserved: Pkg Chg 1: \$50.00 Pkg Chg 2: \$71.50 Floors: 11/Age: 8 yrs.</b>
<b>6053 W. Century Blvd. Los Angeles, CA 90045</b>		<b>Avail SF: 9,526</b>		
<b>Site# 348</b>		<b>Use Rate (H): \$1.45 FSG</b>		
		<b>Use Rate (L): \$1.45 FSG</b>		

<b>Union Bank Building</b>	<b>10 story office building. Avail. space: 1st Fl 10862; 2nd 24192; 3rd 27995; 4th 28612; 5th 27895; 6th 31295; 7th 30825; 8th 22681; 9th 14270; 10th 31432.</b>	<b>Total SF: 311,084</b>	<b>Op Exp: Base Year Escal: Negotiable TT Allow: Negotiable Load: 10.0%</b>	<b>Pkg Ratio: 4/1000 Reserved: Yes Pkg Chg 1: \$55.00 Pkg Chg 2: \$85.00 Floors: 10/Age: 12 yrs.</b>
<b>5200 W. Century Blvd. Los Angeles, CA 90045</b>		<b>Avail SF: 219,909</b>		
<b>Site# 339</b>		<b>Use Rate (H): \$1.00 FSG</b>		
		<b>Use Rate (L): \$1.00 FSG</b>		

<b>3601 Aviation Blvd.</b>	<b>3 story office building. Avail. space: 2nd Fl 3313; 3rd 1641/2557.</b>	<b>Total SF: 71,250</b>	<b>Op Exp: Base Year Escal: Negotiable TT Allow: Negotiable Load: 13.3%</b>	<b>Pkg Ratio: 3.5/1000 Reserved: Pkg Chg 1: \$45.00 Pkg Chg 2: \$0.00 Floors: 3/Age: 9 yrs.</b>
<b>3601 Aviation Blvd. Manhattan Beach, CA 90266</b>		<b>Avail SF: 7,511</b>		
<b>Site# 361</b>		<b>Use Rate (H): \$1.50 FSG</b>		
		<b>Use Rate (L): \$1.50 FSG</b>		

<b>Date General Building</b>	<b>5 story office building. No direct space available from Landlord. Suitelease available - 5,000 to 35,000 sf through 1/31/99 @ \$1.65 FSG.</b>	<b>Total SF: 125,000</b>	<b>Op Exp: Base Year Escal: Negotiable TT Allow: Negotiable Load: 12.0%</b>	<b>Pkg Ratio: 3.7/1000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 5/Age: 13 yrs.</b>
<b>1500 Rosecrans Ave. Manhattan Beach, CA 90266</b>		<b>Avail SF: 0</b>		
<b>Site# 369</b>		<b>Use Rate (H): \$1.65 FSG</b>		
		<b>Use Rate (L): \$1.65 FSG</b>		

Your information has been furnished from sources which we deem reliable, but we make no warranty therefor. The information contained herein is given in confidence, and the undersigned and all agents and persons to the property, by their conduct, are understanding of the confidentiality of the information. All transactions are confidential.

**BUILDING REPORT**

Prepared For: Ms. Norma Montero  
U.S. GSA

Prepared By: ROBERT GARREY  
APR 20, 1995

<b>Manhattan Plaza</b>	3 story office building with atrium. Avail. space: 1st 1323/3113; 2nd 1840/2202/3161; 3rd 1419/1725/1769/2722. Max. contiguous 5,303.	Total SF: 66,896 Avail SF: 17,855 Lse Rate (H): \$1.65 FSG Lse Rate (L): \$1.65 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load:	Pkg Ratio: 3.2/1/000 Reserved: Yes Pkg Chg 1: \$25.00 Pkg Chg 2: \$45.00 Floors: 3/Age: 12 yrs.
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<b>Park View Plaza A</b>	6 story office building. No direct space available from Landlord.	Total SF: 150,000 Avail SF: 0 Lse Rate (H): \$1.00 FSG Lse Rate (L): \$1.00 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 15.0%	Pkg Ratio: 3.6/1/000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 6/Age: 10 yrs.
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<b>Park View Plaza B</b>	6 story office building. No direct space available from Landlord. Sublease 10,000 to 25,000 sf through 8/31/96 @ \$1.00.	Total SF: 150,000 Avail SF: 0 Lse Rate (H): \$1.00 FSG Lse Rate (L): \$1.00 FSG	Op Exp: Base Year Escal: Negotiable TI Allow: Negotiable Load: 15.0%	Pkg Ratio: 3.6/1/000 Reserved: Pkg Chg 1: \$0.00 Pkg Chg 2: \$0.00 Floors: 6/Age: 10 yrs.
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1240 Rosecrans Ave.  
Manhattan Beach, CA 90266  
Site# 368

This information has been furnished from sources which we deem reliable, but for which we assume no liability. The information contained herein is given in confidence with the understanding that all information provided herein is for the property described herein only and should not be used for any other purpose. All information is approximate.

prescribed by the President, except those buildings and grounds which are otherwise provided for by law; and when it shall be made to appear to the said Administrator of General Services, or to the officer under his direction having immediate charge of said public buildings and grounds, that any person or persons is in unlawful

ion of said public lands in the shall be the duty of said officer to notify the marshal of the District of such unlawful occupation, shall thereupon cause the said persons to be ejected from said lands, possession of the same to the officer in custody thereof.

James J. Kane, Dir.

213-894-3353

Beth

GSA - LA

213-894-6629-F

BUILDINGS ACT OF 1949

9, 63 Stat. 199, as amended, 40 U.S.C. 293a, 293b, 293d.

Montero-Lefkowitz

EO 12072 - Another

Key Word Search

Lexis-Nexis

Title I, Serial Sequence

"Federal Space Management" 2 pgs long

strator of General Services, to States Postal Service where his authorized to accept on behalf of additional gifts of real, personal, and of any project or function within the jurisdiction.

is of section 601 of the Economic Recovery Act of 1981, as amended, are to authorize the Administrator of General Services in the continental United States, at the discretion of the Administrator, to any international organization of the United States Government.

trator of General Services is to be designated by the Administrator, and no other provision of law, shall be construed to authorize the Administrator to otherwise designate any building or facility under the control of the General Services Administration, unless it is determined that it was previously

FEDERAL SPACE MANAGEMENT

Ex. Ord. No. 12072, Aug. 16, 1978 (43 F.R. 36869, 3 CFR)

By the authority vested in me as President of the United States of America by Section 205(a) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 486(a)), and in order to prescribe appropriate policies and directives, not inconsistent with that Act and other applicable provisions of law, for

505

OPTIONAL FORM 99 (7-80)

FAX TRANSMITTAL

# of pages 3

To <i>Ty Tripp</i>	From <i>Jim Kane</i>
Dept./Agency	Phone # <i>213-894-3794</i>
Fax #	Fax #

the planning, acquisition, utilization, and management of Federal space facilities, it is hereby ordered as follows:

*1-1. Space Acquisition.*

1-101. Federal facilities and Federal use of space in urban areas shall serve to strengthen the Nation's cities and to make them attractive places to live and work. Such Federal space shall conserve existing urban resources and encourage the development and redevelopment of cities.

1-102. Procedures for meeting space needs in urban areas shall give serious consideration to the impact a site selection will have on improving the social, economic, environmental, and cultural conditions of the communities in the urban area.

1-103. Except where such selection is otherwise prohibited, the process for meeting Federal space needs in urban areas shall give first consideration to a centralized community business area and adjacent areas of similar character, including other specific areas which may be recommended by local officials.

1-104. The process of meeting Federal space needs in urban areas shall be consistent with the policies of this Order and shall include consideration of the following criteria:

(a) Compatibility of the site with State, regional, or local development, redevelopment or conservation objectives.

(b) Conformity with the activities and programs of other Federal agencies.

(c) Impact on economic development and employment opportunities in the urban area, including the utilization of human, natural, cultural, and community resources.

(d) Availability of adequate low and moderate income housing for Federal employees and their families on a non-discriminatory basis.

(e) Availability of adequate public transportation and parking and accessibility to the public.

1-105. Procedures for meeting space needs in urban areas shall be consistent with the policies of this Order and shall include consideration of the following alternatives:

(a) Availability of existing Federally controlled facilities.

(b) Utilization of buildings of historic, architectural, or cultural significance within the meaning of section 105 of the Public Buildings Cooperative Use Act of 1976 (90 Stat. 2507, 40 U.S.C. 612a).

(c) Acquisition or utilization of existing privately owned facilities.

(d) Construction of new facilities.

(e) Opportunities for locating cultural, educational, recreational, or commercial activities within the proposed facility.

1-106. Site selection and space assignments shall take into account the management needs for consolidation of agencies or activities in common or adjacent space in order to improve administration and management and effect economies.

*1-2. Administrator of General Services.*

1-201. The Administrator of General Services shall develop programs to implement the policies of this Order.

*1-3. General Provisions.*

1-301. The heads of the Executive agencies shall cooperate with the Administrator in implementing the policies of this Order and shall economize on their use of space. They shall ensure that the Administrator is given early notice of new or changing missions or organizational realignments which affect space requirements.

1-302. Executive agencies which acquire or utilize Federally owned or leased space under authority other than the Federal Property and Administrative Services Act of 1949, as amended, shall conform to the provisions of this Order to the extent they have the authority to do so.

1-303. Executive Order No. 11512 of February 27, 1970 is revoked.

August 16, 1978

JIMMY CARTER

## GOVERNMENT WORK SPACE MANAGEMENT REFORMS

Ex. Ord. No. 12411, Mar. 29, 1963 (48 F.R. 13391; 3 CFR).

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 488 of Title 40 of the United States Code, in order to institute fundamental changes in the manner in which Federal work space is managed to ensure its efficient utilization, it is hereby ordered as follows:

SECTION 1. In order to make the Federal use of work space (including office space, warehouses and special purpose space, whether federally owned, leased or controlled) and related furnishings more effective in support of agency missions, minimize the acquisition of government resources, and reduce the administrative costs of the Federal government, the heads of all Federal Executive agencies shall:

(a) Establish programs to reduce the amount of work space, used or held, to that amount which is essential for known agency missions;

(b) Produce and maintain a total inventory of work space and related furnishings and declare excess to the Administrator of General Services all such holdings that are not necessary to satisfy existing or known and verified planned programs;

Betty Wilson (310) 355-3970  
Chris Ott (310) 335-4450

⑨

w/o 75 people, what is current sf?

What do they <sup>best est.</sup> need? (BRAC Action)

85 or 40,000 (w/o 75)

How many <sup>positions</sup> ~~people~~ <sup>needed</sup> now? \_\_\_\_\_ M \_\_\_\_\_ Q  
pos. ~~for~~ then? \_\_\_\_\_

Net or Gross?

Include common areas?

Do 75 people in other office need to go with?

Liz

Can DoD buy a

Do

Betty Wilson

authority to

Chris OIT

- Sq. Ft. currently - pay for + need
- what think need

- Positions - April 1995 Civ - Mil - give total
- What need - Civ Mil give these
- think go down to - - - FL set

Currently occupy (incl. Excess) 113,546 sq. ft.

- 19,959 returned as soon

(93,587) as DCA approves

⊙ Needed FY '95 → 72,274

Includes Authorized Positions <sup>300</sup>

300 positions

348 tot. auth. civ. for '95

(45 are mission positions, admin.)  
of the 303, 31 are off site

272 positions at HQ

El Segundo

4-21

①

Nasa is most significant contract  
Contract Admin. Operation (CAO's)

Philade  
11AM

BRAC '93

Chicago is @ IT people - handle Eastern folks  
A few are insurance pension review people

① 30 people in Chicago at all times

At BRAC '93 - 280 people in Chicago

When implemented, they had 250, down  
to 100 when they were transferred.

Got a total of 3 new people who moved  
into openings here.

→ If South closes - need 20-22 (high) extra to DCMDW  
Will have a portion of Texas.  
Not a huge impact. (Not big states added)  
Minimal impact.

DPRO's - 300 folks out there ???

PCO's - are at buying activities (DISC, DPSC, Customer level)  
 ACO's - are at DPRO's  
 CAO's = In touch Direct w/ contractor

With automation, won't need additional personnel.  
 CAO's + contractors can get data on-line.

Vol. Sep. Incentive Pay - payoff to leave  
 Vol. Early Ret. - early out  
 Fedcas - support Fed agency Contract Admin Svcs.

→ Rental costs for office space down 50%

~~95~~ Absorb p.

'95 Absorb TX-OK

Def. Agency cant own bldg, must own thru landlord  
 Relocate to : Govt. Facility  
                   : purchase Bldg  
                   : Least Cost Commercial  
 Able to Negotiate when rates are low

3

NE Absorbing more emp., other stats, but low \$

DCMDW will try to push boundary East b/c old  
TX-OK ties

NE having probs merging big vol., low \$ contracts.

Too quick of a move?

'93 transition very smoothly, few hitches

→ Few at South want to move.

Contract Officers are physically located at Contract, but  
become assets of DCMDW.

Cobra 20 positions could be eliminated. (Could be  
paper positions in Atlanta.

→ West District should have 300, but they operate at  
270-280 now. Could take them  
now.

DFAS transition in '93 - 3 phase process to slowly move the  
databases.

MOCAS - Mechanization of Contract Act. Svcs.

Currently share data sys. w/ DDRW.

NE had problems merging 134,000 contracts from PHL into Boston, Had system problems.

W did not have that problem

Tom Powers 327-0940 DSN DFAS point of contact

W-Will stay on DDRW

Portion of DCMO - 75 people collocated w/W

DCMAO - split betw. Van Nuys Santa Ana

276 - currently on board, 225 here in building

30-40 Chic

20-30 Def. Corp. Execs.

At any time ~~250~~

325 tot. DLA

Cobra 238 people move (A)

(5)

## Facility

→ Betty Wilson - BRAC pt. of contact

Travel \$TM budget (\$2M at Dist. HQ)

DHQ folks, some are 20% of time traveling in the field

NE would poss. keep a satellite office in ATL.

→ April '96 lease expires - 5 yr. options  
\$4M a year  
(\$400,000 a floor, have 6 floors of bldg.)

Want to go to LA-AFB, if limited space, DCMO would be  
set to transfer

DCMO is not in BRAC - but would be considered if close move.

Any space that can house in this <sup>general</sup> area. (would like  
10-15 mile radius. Close to LAX contractor  
base),

Long Beach was considered.

\$11 Milcon avoidance

→ Worst case scenario (Build or Buy), still cheaper to  
buy than to rent at current bldg.

Mike, et al have gone out to look

DLA will make ultimate decision.

Dave Merkenbach - Cushman-Wakefield

Not tied down yet. DoD, GSA, Lease-space

\$25,000 moving cost - COBRA HQ

PCS move would cost more.

Site must move over 10 miles to trigger 45 minute commute criteria.

No PCS costs are in the Cobra.

Each directional move would affect 1/3 of the

DLA -

COBRA

ask HQ

Moving costs (\$25K)

PCS costs.

- '93 round they had to give projections on move impacts for each kind of move. - Asked for every surrounding county.
- '95 not asked for this round.

Starving Students

Moving Network Center would be in \$M's. if

Dialing costs are big if move to wrong area.

\$1.8M to Long Beach.

\$2.4M 2.6M to March AFB

COBRA

Telecommunications costs:

Disconnect + Hookup fees, Dual lines,  
\$8 \$10,000 a month

Computers hooked up on this

Moving \$.5M to move a block away in '86  
not including telecom. - No furniture, just files.

→ BOXER Relocating vs. Closing costs  
Higher than initial projections.

DLA briefing: \$3.7M Milcon cost

Lucy Peros

Space requirement update coming to DLA in a week.

Technical moving costs are most expensive.

Moving out of Dialing Plan.

DISA has ~~the~~ a dialing plan ~~system~~ also.

When they prepared the 95 package, looked at Long Beach  
as primary option.

"Best deal within BRAC language"

- 1a '86, prime real estate
- \$156K to rewire this building
- \$25K within walls (Level 5 wiring)

They can pack-up most of this & move it.

Cobra

\$1.2M - design prep - reconfiguration - not rewiring

DLA may have included rewiring in construction cost.

These numbers are assuming Kilroy move a few years ago.

Telecom. - Costs depend on what company.

Pick a point & can look at costs (dial code/plan)  
 they will deal thru ~~the~~ GSA (Have possibly discussed vacancy next door, etc.) 222

Current occupy 113,546 sq. ft.  
 19,959 excess  
 72,274 needed in 95  
 60,062 needed in '96  
 7% down for '96

	auth.	M	C	Tot
Positions - now '95		<u>13</u>	348	<del>361</del>
- '96		<u>15</u>	<u>287</u>	(300)
			<u>256</u>	(incl. miss.)
			327 (incl. mission)	
			<u>-45</u>	
			282 Civ.	
			<u>-31</u> off site	
			251	

Special space for FY '96 12,000 sf.  
 3,000 sf.

DPS Won't go to long beach 2971 ten.  
 Includes  
 computer room  
 teleconf.  
 -16,179 spec  
 -40,913 office space  
60,062

①

GSA - LA Apr. 21

GSA has 1.7M Cubic Ft. = LA-County

Looking to extend lease

Not propose to build or acquire

Based on current market rates,

getting space now at @ \$18 p.sq.ft.

vs. Buying

30 yr. NPV, would be high 20's.

300 N. Los Angeles → Renovation

• Mission specific must be proof, substantive justification.

E.O. #1207-2 - Move govt into downtown/ctrl. business area.

If sufficient competition can be obtained.

Cheap rates downtown.

Currently at 222 - working on rental decrease for the extension.

D-76

GSA pays <sup>furn.</sup> moving costs except telecom. to GSA inventory

GSA

Ⓢ Commercial district (35 miles minimum)

45 min. thing -

Local union agreements, etc.

1. 7 million leased in the county

2 million owned (3 Federal Bldg.)

Sooner negotiated, better.

Must get a deal w/in next 60 days.

If they have a place, they can get a better deal.

250 people (lobbies, wait) - 180-200 sq. ft. per person  
50,000 sq. ft.

Current rate \$28.56 per s.f.

If get 2 year lease <sup>soon</sup> - can get down to \$20-21 sq. ft.

DLA + DCMDW }  
Customs } 170,000  
SSA, FEMA }

DOD has 170,000

18-22 - Dwntrn

18-22 - El Segundo

9 mos. minimum to move for 50,000 ft.

Economic justification needed to stay out there

Urban Areas - Svcs, etc. can't buy unless special use, lab type deal.

\$85 sq. ft. is not expensive for office bldg.

Gross estimate \$67 per sq. ft. - 400 Ocean Gate → Condensed

\$6.5 million for office bldg., design, eng., constr.

Not include phones.

GSA would recommend

If LBNSY open, take them there.  
close, <sup>GSA</sup> lease space.

They will not buy.

Unless into DOD property, put into lease.

If

→ Mission justification that will hold up in court,

GSA's job to take to court,

Vacancy rate 25% in LA + El Segundo

Burbank 3% vacancy.

→ If they have statutory authority, they can do it.





## PART 101-18—ACQUISITION OF REAL PROPERTY

- Sec.  
101-18.000 Scope of part.  
101-18.001 Authority.

### Subpart 101-18.1—Acquisition by Lease

- 101-18.100 Basic policy.  
101-18.101 Acquisition by GSA.  
101-18.102 Acquisition by other agencies.  
101-18.103 Agency cooperation.  
101-18.104 Delegation of leasing authority.  
101-18.104-1 Limitations on the use of delegated authority.  
101-18.104-2 Categorical space delegations.  
101-18.104-3 Agency special purpose space delegations.  
101-18.105 Contingent fees and related procedure.  
101-18.106 Application of socioeconomic considerations.

### Subpart 101-18.2—Acquisition by Purchase or Condemnation

- 101-18.200 Purpose.  
101-18.201 Basic acquisition policy.  
101-18.202 Expenses incidental to transfer.  
101-18.203 Litigation expenses.

### Subpart 101-18.3—(Reserved)

AUTHORITY: 40 U.S.C. 486(c); sec. 1-201(b), E.O. 12072, 43 FR 36869.

SOURCE: 39 FR 23202, June 27, 1974, unless otherwise noted.

#### § 101-18.000 Scope of part.

This part prescribes policies and procedures governing acquisition of interests in real property.

[58 FR 40592, July 29, 1993]

#### § 101-18.001 Authority.

This part implements applicable provisions of the Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 377 (40 U.S.C. 471 *et seq.*); the Act of August 27, 1935, as amended, 49 Stat. 886 (40 U.S.C. 304c); the Public Buildings Act of 1959, as amended, Pub. L. 86-249, 73 Stat. 479 (40 U.S.C. 601-615); the Public Buildings Cooperative Use Act of 1976, Pub. L. 94-541, 90 Stat. 2505; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646, 84 Stat. 1894; the Federal Urban Land-Use Act, Pub. L. 90-577, 82 Stat. 1104 (40 U.S.C. 531-535); the Rural Devel-

opment Act of 1972, as amended, Pub. L. 92-419, 86 Stat. 657 (42 U.S.C. 3122); the Fair Housing Act, as amended, Pub. L. 90-284, 82 Stat. 81 (42 U.S.C. 3601 *et seq.*); Reorganization Plan No. 18 of 1950, 15 FR 3177, 64 Stat. 1270 (40 U.S.C. 490 note); Executive Order 12072, 43 FR 36869 (40 U.S.C. 490 note); and OMB Circular A-95 (41 FR 2052).

[58 FR 40592, July 29, 1993]

### Subpart 101-18.1 Acquisition by Lease

SOURCE: 58 FR 40592, July 29, 1993, unless otherwise noted.

#### § 101-18.100 Basic policy.

(a) GSA will lease privately owned land and building space only when needs cannot be satisfactorily met in Government-controlled space and:

(1) Leasing proves to be more advantageous than the construction of a new or alteration of an existing Federal building;

(2) New construction or alteration is not warranted because requirements in the community are insufficient or indefinite in scope or duration; or

(3) Completion of a new building within a reasonable time cannot be ensured.

(b) Available space in buildings under the custody and control of the United States Postal Service (USPS) will be given priority consideration in fulfilling Federal agency space needs.

(c) Acquisition of space by lease will be on the basis most favorable to the Government, with due consideration to maintenance and operational efficiency, and only at charges consistent with prevailing scales for comparable facilities in the community.

(d) Acquisition of space by lease will be by negotiation except where the sealed bid procedure is required by 41 U.S.C. 253(a). Except as otherwise provided in 41 U.S.C. 253, full and open competition will be obtained among suitable available locations meeting minimum Government requirements.

(e) When acquiring space by lease, the provisions of § 101-17.205 regarding determination of the location of Federal facilities shall be strictly adhered to.

(f) When acquiring space by lease, the provisions of section 110(a) of the National Historic Preservation Act of 19 (16 U.S.C. 470), as amended, regarding the use of historic properties shall be strictly adhered to.

#### § 101-18.101 Acquisition by GSA.

(a) GSA will perform all functions of leasing building space, and land incidental thereto, for Federal agencies except as provided in this subpart.

(b) Officials or employees of agencies for which GSA will acquire lease space shall at no time, before or after a space request is submitted to GSA or after a lease agreement is made, directly or indirectly contact lessors, offerors, or potential offerors for the purpose of making oral or written representation or commitments or agreements with respect to the terms of occupancy of particular space, tenant improvements, alterations and repairs, or payment for overtime services, unless authorized by the Director of the Real Estate Division in the responsible GSA regional office or facility support center.

#### § 101-18.102 Acquisition by other agencies.

(a) Acquisitions of leased space by agencies possessing independent statutory authority to acquire such space are not subject to GSA approval or authority.

(b) Upon request, GSA will perform, on a reimbursable basis, all functions of leasing building space, and land incidental thereto, for Federal agencies possessing independent leasing authority.

(c) GSA reserves the right to accept or reject reimbursable leasing service requests on a case-by-case basis.

#### § 101-18.103 Agency cooperation.

The heads of executive agencies shall:

(a) Cooperate with and assist the Administrator of General Services in carrying out his responsibilities respecting office buildings and space;

(b) Take measures to give GSA early notice of new or changing space requirements;

(c) Seek to economize their requirements for space; and

41 CFR 101

CFR Ch. 101 (7-1-94 Edition)

t of 1972, as amended, Pub. 86 Stat. 657 (42 U.S.C. 3122); Housing Act, as amended, 284, 82 Stat. 81 (42 U.S.C. 3601 organization Plan No. 18 of 3177, 64 Stat. 1270 (40 U.S.C. Executive Order 12072, 43 FR S.C. 490 note); and OMB Cir- (41 FR 2052).

July 29, 1993]

101-18.1 Acquisition by Lease

8 FR 40592, July 29, 1993, unless noted.

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Federal Property Management Regulations

§ 101-18.104

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§ 101-18.103 Agency cooperation.

The heads of executive agencies shall:

(a) Cooperate with and assist the Administrator of General Services in carrying out his responsibilities respecting office buildings and space;

(b) Take measures to give GSA early notice of new or changing space requirements;

(c) Seek to economize their requirements for space; and

(d) Continuously review their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency.

§ 101-18.104 Delegation of leasing authority.

(a) Agencies are authorized to perform for themselves all functions with respect to the acquisition of leased space in buildings and land incidental thereto when the following conditions are met:

(1) The space may be leased for no rental, or for a nominal consideration of \$1.00 per annum, and shall be limited to terms not to exceed one (1) year;

(2) Authority has been requested by an executive agency and a specific delegation has been granted by the Administrator of General Services;

(3) A categorical delegation has been granted by the Administrator of General Services for space to accommodate particular types of agency activities, such as military recruiting offices or space for certain county level agricultural activities. A listing of categorical delegations is found at §101-18.104-2; or

(4) The required space is found by the Administrator of General Services to be wholly or predominantly utilized for the special purposes of the agency to occupy such space and is not generally suitable for use by other agencies. Prior approval of GSA shall be obtained before an agency initiates a leasing action involving 2,500 or more square feet of such special purpose space. The request for approval and a Standard Form 81 shall be filed with the GSA regional office having jurisdiction in the area of the proposed leasing action as shown in §101-17.4801. GSA's approval shall be based upon a finding that there is no vacant Government-owned or leased space available that will meet the agency's requirements.

A listing of agency special purpose space delegations is found at §101-18.104-3.

(b) The Departments of Agriculture, Commerce, and Defense may lease their own building space, and land incidental to its use, and provide for its op-

urban center. Such leases shall be for terms not to exceed five (5) years. A list of urban centers follows.

LIST OF URBAN CENTERS

Aberdeen, SD:  
Brown County.

Abil:  
Jones County.  
Taylor County.

Akron, OH:  
Portage County.  
Summit County.

Alaska:  
The entire State.

Albany, GA:  
Dougherty County.

Albany, IL:  
Whiteside County.

Albany, OR:  
Linn County.

Albany-Schenectady-Troy, NY:  
Albany County.  
Rensselaer County.  
Saratoga County.  
Schenectady County.

Albuquerque, NM:  
Bernalillo County.

Alexandria, LA:  
Rapides Parish.

Allentown-Bethlehem-Easton, PA-NJ:  
Lehigh County, PA.  
Northampton County, PA.  
Warren, NJ.

Altoona, PA:  
Blair County.

Amarillo, TX:  
Potter County.  
Randall County.

Anaheim-Santa Ana-Garden Grove, CA:  
Orange County.

Ann Arbor, MI:  
Washtenaw County.

Asheville, NC:  
Buncombe County.

Athens, GA:  
Clarke County.

Atlanta, GA:  
Clayton County.  
Cobb County.  
De Kalb County.  
Fulton County.  
Gwinnett County.

Atlantic City, NJ:  
Atlantic County.

Augusta, GA-SC:  
Richmond County, GA.  
Aiken County, SC.

Augusta, ME:  
Kennebec County.

Austin, TX:  
Travis County.

Bakersfield, CA:  
Kern County.

Baltimore, MD:  
Baltimore County.  
Carroll County.  
Howard County.

Baton Rouge, LA:  
East Baton Rouge Parish.  
Battle Creek, MI:  
Calhoun County.

Bay City, MI:  
Bay County.

Beaumont-Port Arthur, TX:  
Jefferson County.  
Orange County.

Billings, MT:  
Yellowstone County.

Binghamton, NY-PA:  
Broome County, NY.  
Tioga County, NY.  
Susquehanna County, PA.

Birmingham, AL:  
Jefferson County.

Bismarck, ND:  
Burleigh County.

Boise, ID:  
Ada County.

Boston, MA:  
Essex County.  
Middlesex County.  
Norfolk County.  
Plymouth County.  
Suffolk County.

Bridgeport, CT:  
Fairfield County.  
New Haven County.

Brockton, MA:  
Bristol County.  
Norfolk County.  
Plymouth County.

Brownsville-Harlingen-San Benito, TX:  
Cameron County.

Buffalo, NY:  
Erie County.  
Niagara County.

Burlington, VT:  
Chittenden County.

Butte, MT:  
Silver Bow County.

Calexico-El Centro, CA:  
Imperial County.

Canton, OH:  
Stark County.

Casper, WY:  
Norrana County.

Cedar Rapids, IA:  
Linn County.

Champaign-Urbana, IL:  
Champaign County.

Charleston, SC:  
Berkeley County.  
Charleston, County.

Charleston, WV:  
Kanawha County.

Charlotte, NC:  
Mecklenburg County.  
Union County.

Charlottesville, VA:

Chattanooga, TN:  
Hamilton County, TN.  
Walker County, GA.

Cheyenne, WY:  
Laramie County.

Chicago, IL:  
Cook County.  
Du Page County.  
Kane County.  
Lake County.  
McHenry County.  
Will County.

Cincinnati, OH-KY-IN:  
Clermont County, OH.  
Hamilton County, OH.  
Warren County, OH.  
Boone County, KY.  
Campbell County, KY.  
Kenton County, KY.  
Dearborn County, IN.

Cleveland, OH:  
Cuyahoga County.  
Geauga County.  
Lake County.  
Medina County.

Clinton, OK:  
Custer County.

Cody, WY:  
Park County.

Colorado Springs, CO:  
El Paso County.

Columbia, MO:  
Boone County.

Columbia, SC:  
Lexington County.  
Richland County.

Columbus, GA-AL:  
Chattahoochee County, GA.  
Muscookee County, GA.  
Russell County, AL.

Columbus, OH:  
Delaware County.  
Franklin County.  
Pickaway County.

Concord, NH:  
Merrimack County.

Corpus Christi, TX:  
Nueces County.

Dallas, TX:  
Collin County.  
Dallas County.  
Denton County.  
Ellis County.

Davenport-Rock Island-Moline, IA-IL:  
Scott County, IA.  
Henry County, IL.  
Rock Island County, IL.

Dayton, OH:  
Greene County.  
Miami County.  
Montgomery County.  
Preble County.

Decatur, IL:  
Macon County.

Denver, CO:

CALIFORNIA

Construction Battalion Center,  
Port Hueneme

Missile Test Center, Pt Mugu

Channel Isle AGS

Defense Contract  
Management District West  
El Segundo

Los Angeles AFB

Long Beach Support Activity

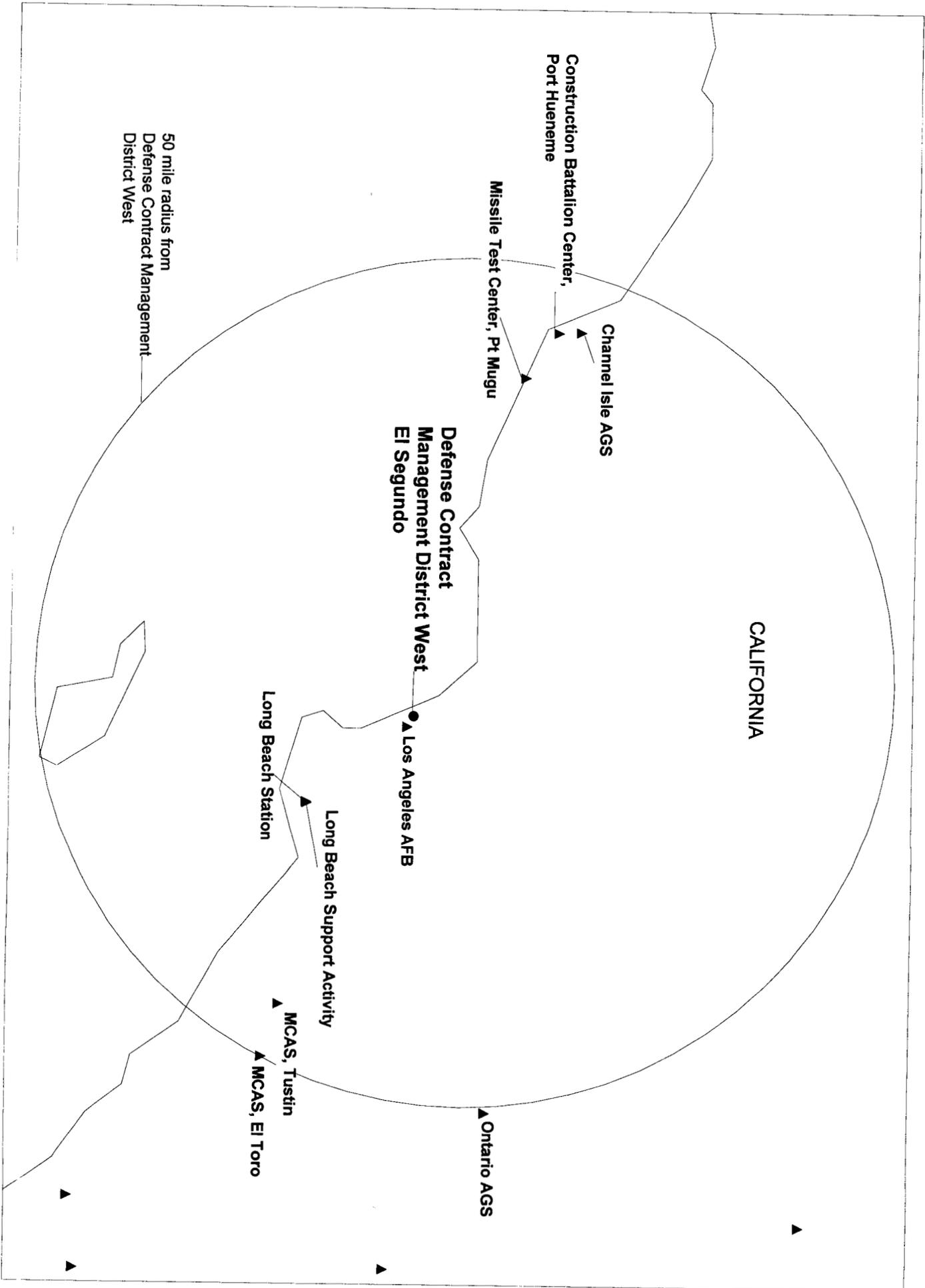
Long Beach Station

MCAS, Tustin

MCAS, El Toro

Ontario AGS

50 mile radius from  
Defense Contract Management  
District West



44B *By*  
*call me if you*  
*have questions*  
*Shantice*  
*Billy White*  
*(310) 335-3970*  
*DSN 92*

*central copy*

SPACE REQUIREMENT ANALYSIS OCCUPANCY AND REQUIREMENT (FY 95)

○FY 95 OCCUPANCY		FY 95 ○REQMT	FY 96 ○ REQMT	DLA FY96 ○RECOMMD	○COMMENTS
<b>TENNANTS</b>					
CREDIT UNION	1900			1200	
DEF. PRINT. SVCS.	793			0 *	(Reqmt exists)
DTIC	869			660	
TOTAL	3562	3562	3562	2083**	(+1.12 factor)
DLA Invest. Servcs	<u>+ 912</u>	<u>+ 912</u>	<u>+ 912</u>		
<b>SPECIAL SPACE</b>					
EC/EDI	0		3000	0 *	(Req at DLA)
CMDR'S BATH ROOM	135		135	0 *	(Not in DLA's)
HEALTH UNIT	1818		560	560	
CAFETERIA	3396		2500	2500	
ADP	10125		5000	5000	
EPBX	635		635	0	(Not in DLA's)
VIDEO TELECONF.	1176		1176	1650	
CMDR'S CONFER. RM	1142		1142	0	(Not in DLA's)
CCC	600		1000	1000	
TOTAL	19027	19027	15148	11952**	(+1.12 factor)
<b>SUPPORT SPACE</b>					
CMDR'S UTIL. RM	116		116		
CONF./TRNG RMS	2764		2224		
MAIL ROOM	1054		800		
CONF. ROOMS	576		576		
AUDIO VISUAL	252		252		
GRAPHICS	1238		400		
TOTAL (factor)	(6000)	(6000)	(4368)	(4368)	(incl. in people space)
<b>PEOPLE SPACE</b>					
	42404	42404	40768	40768	
TOTAL	64993	64993	59478	54803	
<b>EXCESS SPACE</b>					
	19959	0	0	0	
TOTAL OCCUPANCY	84952	64993	59478	54803	+4563 sqft
	<u>+ 912</u>	<u>+ 912</u>	<u>+ 912</u>		
	85864	65904	60390		

OPTIONAL FORM 39 (7-90)

**FAX TRANSMITTAL** # of pages 1

To: *By* [Signature] From: *Billy White* [Signature]  
 To: *Beate Corman* Phone # *335-3970*  
 Fax # *703-696-0550* Fax # *310-335-4369*

NSN 7540-01-217-7368 5099-101 GENERAL SERVICES ADMINISTRATION

11B  
 By [Signature] could me if you have [Signature] [Signature] Betty Wilson (310) 335-3970 DSN 9P

SPACE REQUIREMENT ANALYSIS OCCUPANCY AND REQUIREMENT (FY 95)

OFY 95 OCCUPANCY	FY 95 REQMT	FY 96 REQMT	DLA FY96 RECOMMD	COMMENTS
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DEF. PRINT. SVCS.	793		0 *	(Reqmt exists)
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<b>PEOPLE SPACE</b>				
	42404	42404	40768	40768
TOTAL	64993	64993	59478	54803
<b>EXCESS SPACE</b>				
	19959	0	0	0
TOTAL OCCUPANCY	84952	64993	59478	54803 +4563 sqft

OPTIONAL FORM 93 (7-90)

FAX TRANSMITTAL # of pages 3

From: T. Y. TRIPPETT  
 Dept Agency: [Blank]  
 From: Betty Wilson  
 Phone #: 310-335-3970  
 Fax #: 703-696-0550  
 4369

NSN 7540-01-317-7368 5005-101 GENERAL SERVICES ADMINISTRATION

## DCMDW SPACE REQUIREMENT ANALYSIS METHODOLOGY

### 1. FACTORS:

- a. DCMDW currently occupies 64,993 sq ft of space (floors 2, 3, 9, 10, 11).
- b. Excess space on the fourth floor = 19,959 sq ft.
- c. DCMDW's AOB for FY 95 is 348 civilian positions and 13 military.
- d. DCMDW's AOB (less 49 mission positions) is 299 of which 31 HQ staff positions are off-site.
- e. DCMDW has 301 positions to house at the HQ site; 268 authorized staff positions; 20 mission positions and 13 military positions.
- f. Net useable space includes people and administrative support space.
- g. The Navy formula (used by DLA) was applied: 130 sq ft per authorized position multiplied by 1.12 (factor).
- h. Adjusted DLA analysis for 318 people to support our FY 96 requirements of 280 positions on-site.
- i. Adjusted additional special space requirements identified by DCMDW-F.

### 2. ASSUMPTIONS:

- a. DCMDW will remain at its current location throughout FY 95.
- b. The excess space identified will be turned in to GSA immediately upon approval by DLA.
- c. DCMDW's current configuration of office, support, and special space will remain intact as identified for FY 95, unless a significant change(s) occur.
- d. DCMDW will meet DLA's reduction plan of 238 positions to be housed on-site at the HQ by FY 98.
- e. The 7% reduction plan was applied to the HQ staff positions for FYs 96, and 97; .035 was applied for FY 98 to accommodate positions for DCMDW. The HQ FY 95 authorized staff positions (299) were used as the base for determining the outyears requirements: FY 96 = 278; FY 97 = 258; FY 98 = 249.
- f. DCMDW will absorb DCMDW portions with no additional positions.

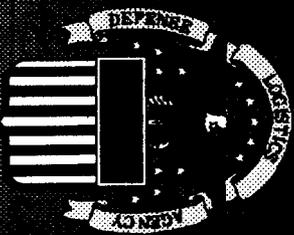
### 3. METHODOLOGY used to determine the HQ site space requirements:



*Defense*

*Contract Management*

*District West*

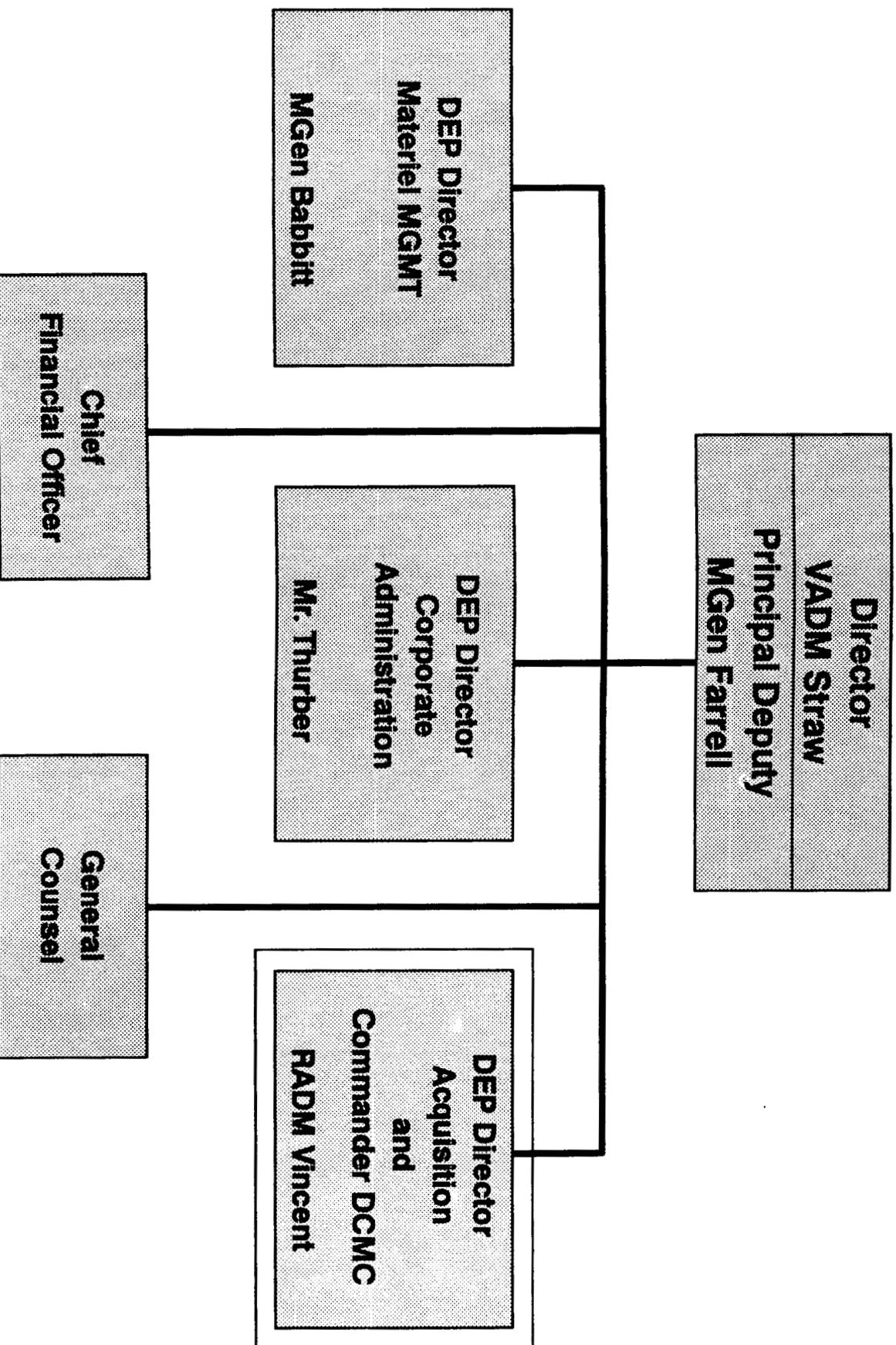


**BRAC**

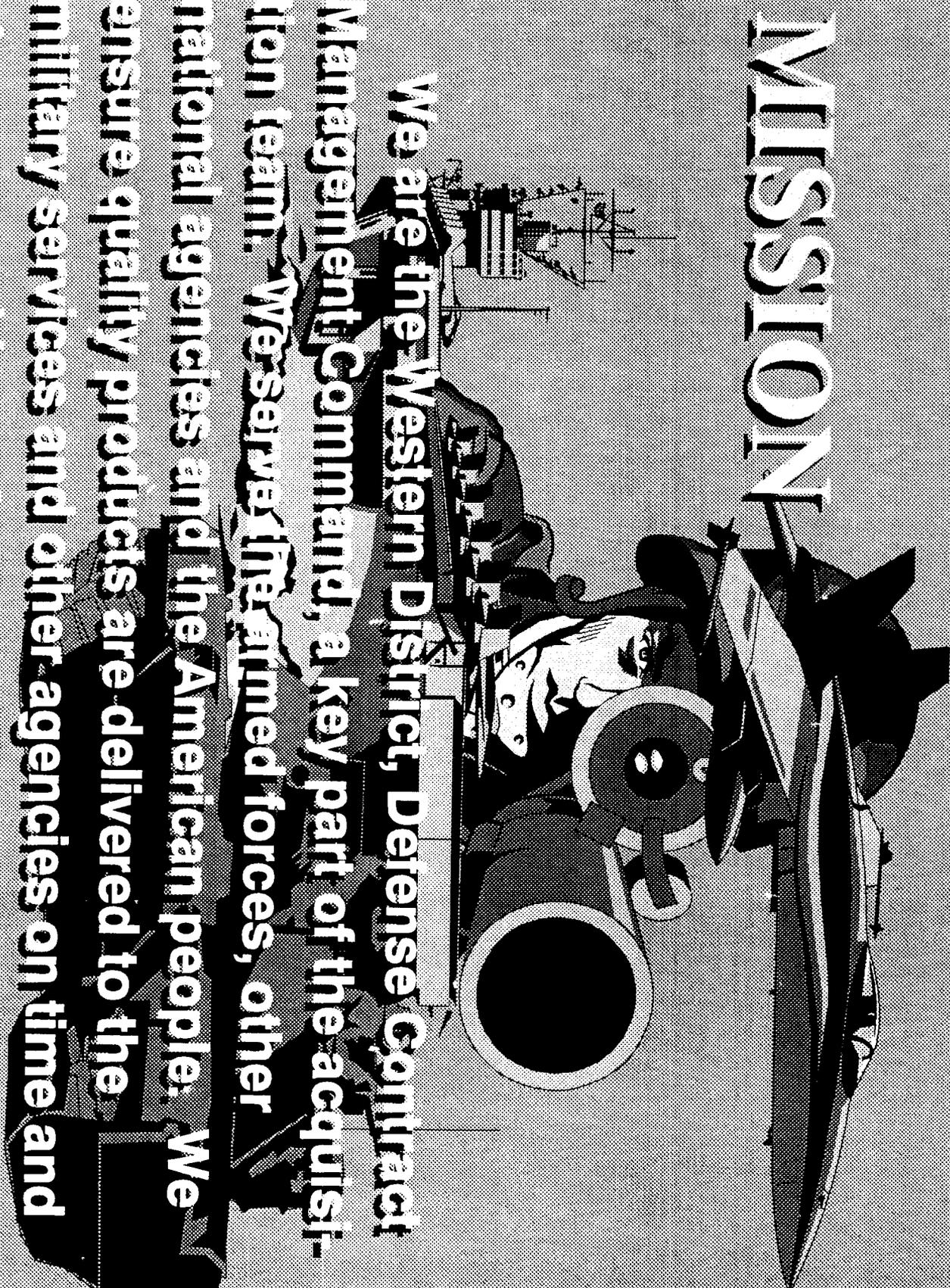
**'95**

**21 Apr 95**

# Defense Logistics Agency



# MISSION



**We are the Western District, Defense Contract Management Command, a key part of the acquisition team. We serve the armed forces, other national agencies and the American people. We ensure quality products are delivered to the military services and other agencies on time and at a reasonable cost.**



# DCMC DISTRICTS - 1990

## 6 Districts

### INTERNATIONAL

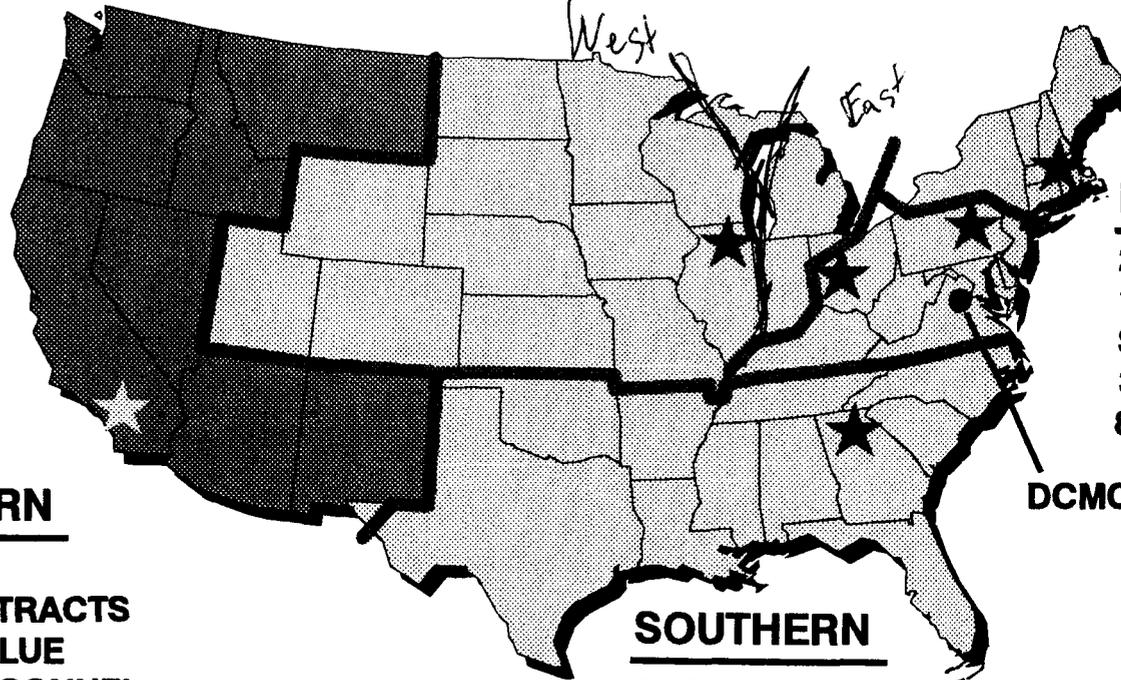
8 CAOs  
2.5K CONTRACTS  
\$2.2B VALUE  
505 PERSONNEL  
575 CONTRACTORS

### NORTH CENTRAL

22 CAOs  
61K CONTRACTS  
\$137B VALUE  
3391 PERSONNEL  
4084 CONTRACTORS

### NORTHEASTERN

27 CAOs  
109K CONTRACTS  
\$134B VALUE  
3639 PERSONNEL  
5217 CONTRACTORS



### MID-ATLANTIC

23 CAOs  
130K CONTRACTS  
\$107B VALUE  
3633 PERSONNEL  
8439 CONTRACTORS

### WESTERN

28 CAOs  
91K CONTRACTS  
\$237B VALUE  
5194 PERSONNEL  
5986 CONTRACTORS

### SOUTHERN

27 CAOs  
67K CONTRACTS  
\$138B VALUE  
3320 PERSONNEL  
4493 CONTRACTORS

DCMC HQ

# REGION/DISTRICT COMPARISON

1990

INDICATOR	LA REGION	WESTERN DISTRICT
CAOs	13	28
CONTRACTS	90600	91000
DOLLAR VALUE	\$84B	\$237B
PERSONNEL	2966	5194
CONTRACTORS	5604	5986

# Defense Contract Management District West - June 94

## PLANT REPRESENTATIVE OFFICES

*After BRAC '93  
Gained light area*

BOEING SEATTLE

THIOKOL, BRIGHAM CITY

LOCKHEED, SUNNYVALE  
UNITED DEFENSE, SAN JOSE

ROCKWELL, CANOGA PARK  
McDONNELL DOUGLAS, LB  
HUGHES, LOS ANGELES  
NORTHROP, PICO RIVERA  
TRW, REDONDO BEACH  
McDONNELL DOUGLAS, HB  
HUGHES, FULLERTON

*B2, F18  
C-17  
Saudi Shield*

DISTRICT WEST  
HEADQUARTERS

*Apache Helo.*

McDONNELL DOUGLAS, MESA  
HUGHES, TUCSON

*purchased Gen. Dyn.  
Tomahawk, R&D, phalynx gun*

MEXICO

HONEYWELL/ALLIANT,  
TECH SYSTEMS, Ammo Tanks  
MINNEAPOLIS

UNITED DEFENSE,  
MINNEAPOLIS *Mark 45  
missile navy  
#1 program for Army*

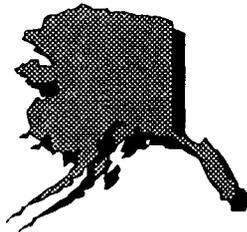
SATELLITE OFFICE,  
CHICAGO

McDONNELL DOUG.,  
ST. LOUIS - DRRO, F-18

BOEING, WICHITA  
*AF-1*

MARTIN MARIETTA,  
DENVER

ALASKA



HAWAII



## MANAGEMENT AREA OPERATIONS

CHICAGO, IL  
DENVER, CO  
EL SEGUNDO, CA  
MILWAUKEE, WI  
PHOENIX, AZ

SAN DIEGO, CA  
SAN FRANCISCO, CA  
SANTA ANA, CA  
SEATTLE, WA

ST. LOUIS, MO  
TWIN CITIES, MN  
VAN NUYS, CA  
WICHITA, KS

# Comparison - Jun 94

INDICATOR	NORTH CENTRAL	WEST	COMBINED
CAOS	14	19	31
CONTRACTS	25000	69000	94000
DOLLAR VALUE	\$147 BIL	\$230 BIL	\$377 BIL
PERSONNEL	2107	3900	6007
CONTRACTORS	2400	4800	7200
STATES	10	11	21

# District West

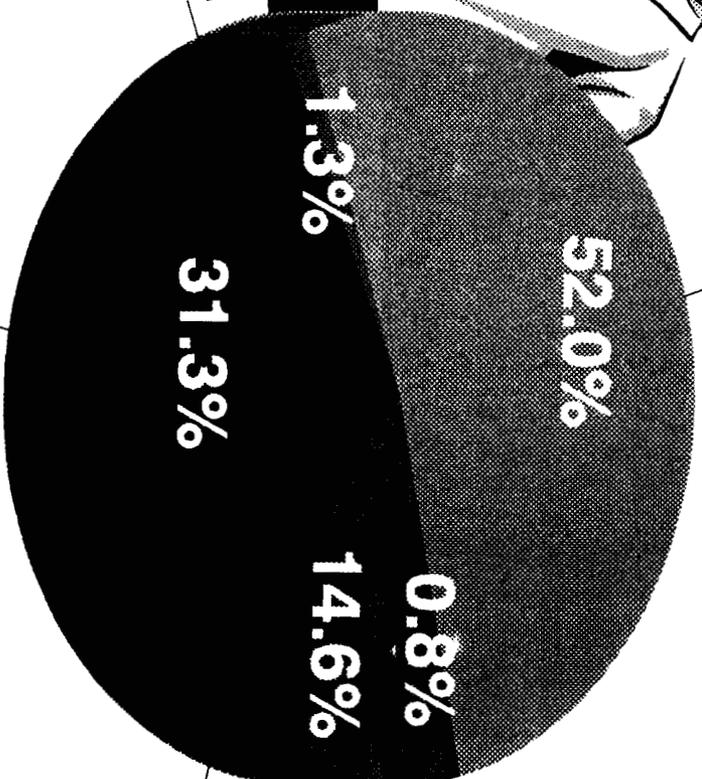
No. of Contracts		105,773
Contract Dollar Value		\$372.2B
ULO Dollar Value		\$73.7B
\$ Value Top 10 Major Programs		\$58B
Contractors		7200
States		21
CAOs		28
AOs		11
DPROS	★	17
DCMOs		26
Span of Control		15:1
	<u>Civilian</u>	<u>Military</u>
Total Personnel	5154	241
District HQ	307	9
CAOs	4847	232

# Major Buying Customers (\$B)



Air Force

\$193.5



DLA

\$4.7

52.0%

0.8%

Other  
\$2.9

14.6%

Army  
\$54.5

31.3%

Navy

\$116.6

# DCMDW Top Ten Programs (\$B)

## PROGRAM

## \$ VALUE

C-17

17

TITAN

13.5

B-1B

11

F-18

7

AMRAAM

3.7

TOMAHAWK

2.5

DSP/SATELLITE

1.5

DSP/SENSORS

1.1

LONGBOW/APACHE

0.5

NMDS

0.3



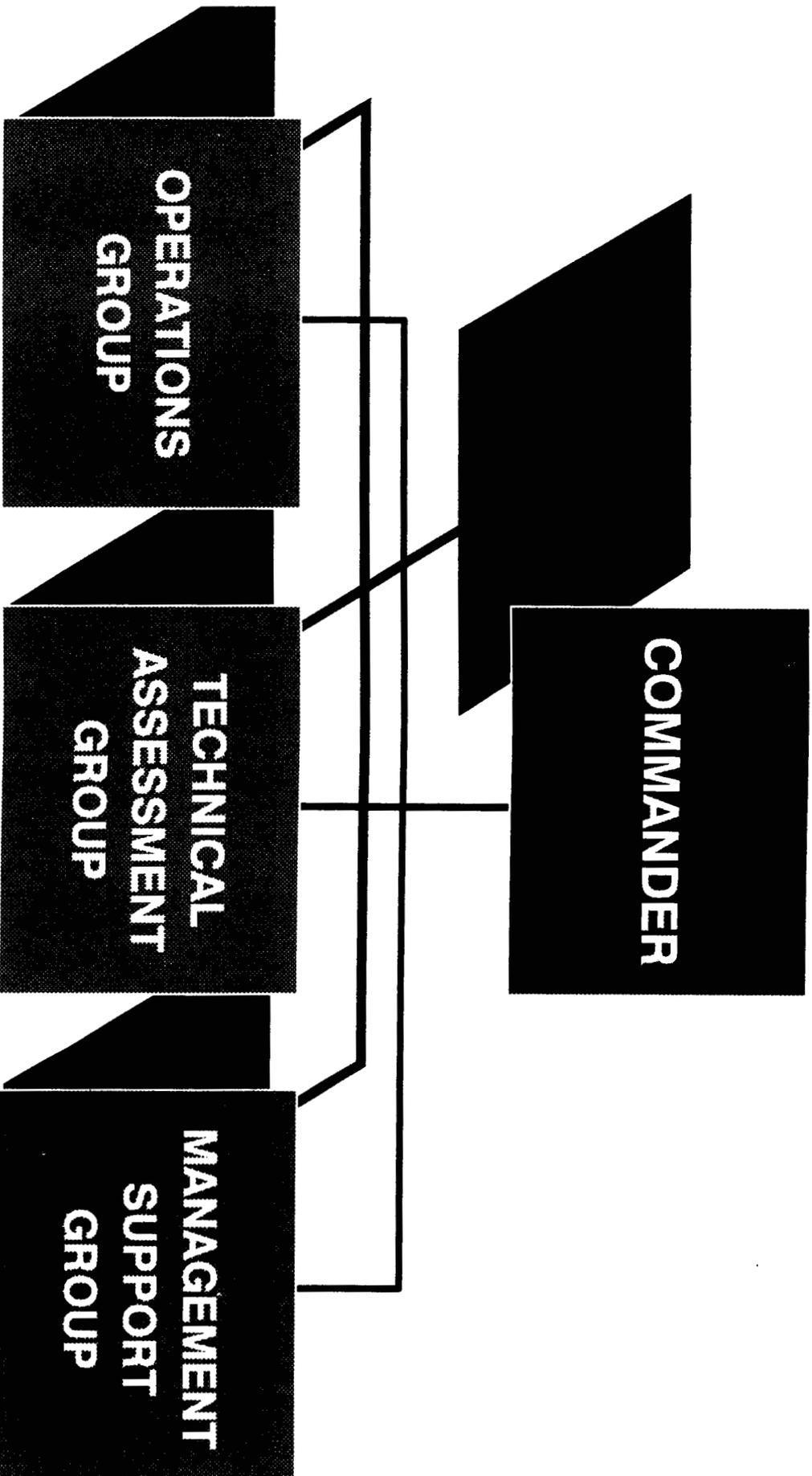
# **DCMDW**

- **Downsizing Environment**
  - **Budget**
  - **Employees**
  - **Federal Bureaucracy**
  
- **Encourages Innovation**
  - **New Organization Structures**
    - **Multi-Functional Teams**
    - **Empowered**
    - **Customer Focused**

# **DCMDW (cont.)**

- **New Operating Attitudes**
  - **Teaming with Customers and Contractors**
  - **Process Champions and Facilitators**
  - **Reinvention Labs**
  
- **New Competitive Culture**
  - **Stating Performance Requirements**
  - **Integrating Requirements - Budget**
  - **Measuring Results**
  - **Recognizing Success**
  - **Improving Processes and Results**

# Storefront AOs and DPPROs



# Multi-Functional Team

*Program*  
PCO - places the contracts, decides

ACO - administers contracts

- **Administrative Contracting Officer** - Take contract + work w/ pro
- **Program Integrator** - ~~PCO~~ Admin. work
- **Quality Assurance**
- **Engineer (Hardware / Software)**
- **Property / Transportation / Plant Clearance**
- **Logistics**
- **Other as Required**



# Storefront AOs and DPROs

- **Consolidated / Disestablished**

- ✓ 90 - 94 12 DPROs

- 3 DCMAOs - "Area Commands"

- ✓ 95 4 DPROs Pending - 2 in Minneapolis

- **Span of Control**

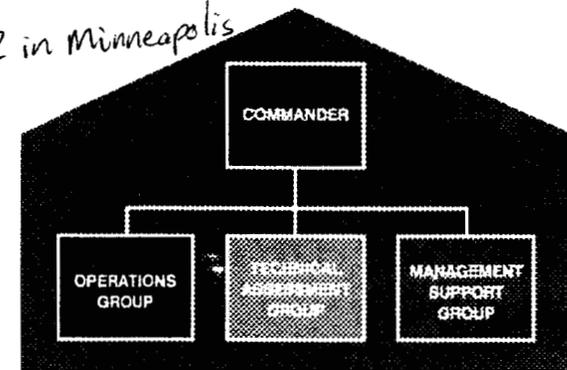
- ✓ 94 6:1

- ✓ 95 15:1

- **Savings - More to Come**

- ✓ 18 High Grade Positions  
(GS-15 & 14s) Eliminated In Field

- ✓ 6 High Grade Positions  
Eliminated at HQtrs



# DISTRICTS - WHERE MISMATCHES FIT TOGETHER

## *THE NATURE OF DISTRICTS - TWO DIRECT CUSTOMERS*

"Get us positioned properly and get us paid."

"Assure, facilitate and leverage CAO performance"

"Deliver the best service our people and systems are capable of."



- \* POLITICAL
- \* LONG TERM
- \* VISION & RESOURCES
- \* POLICY INITIATIVES

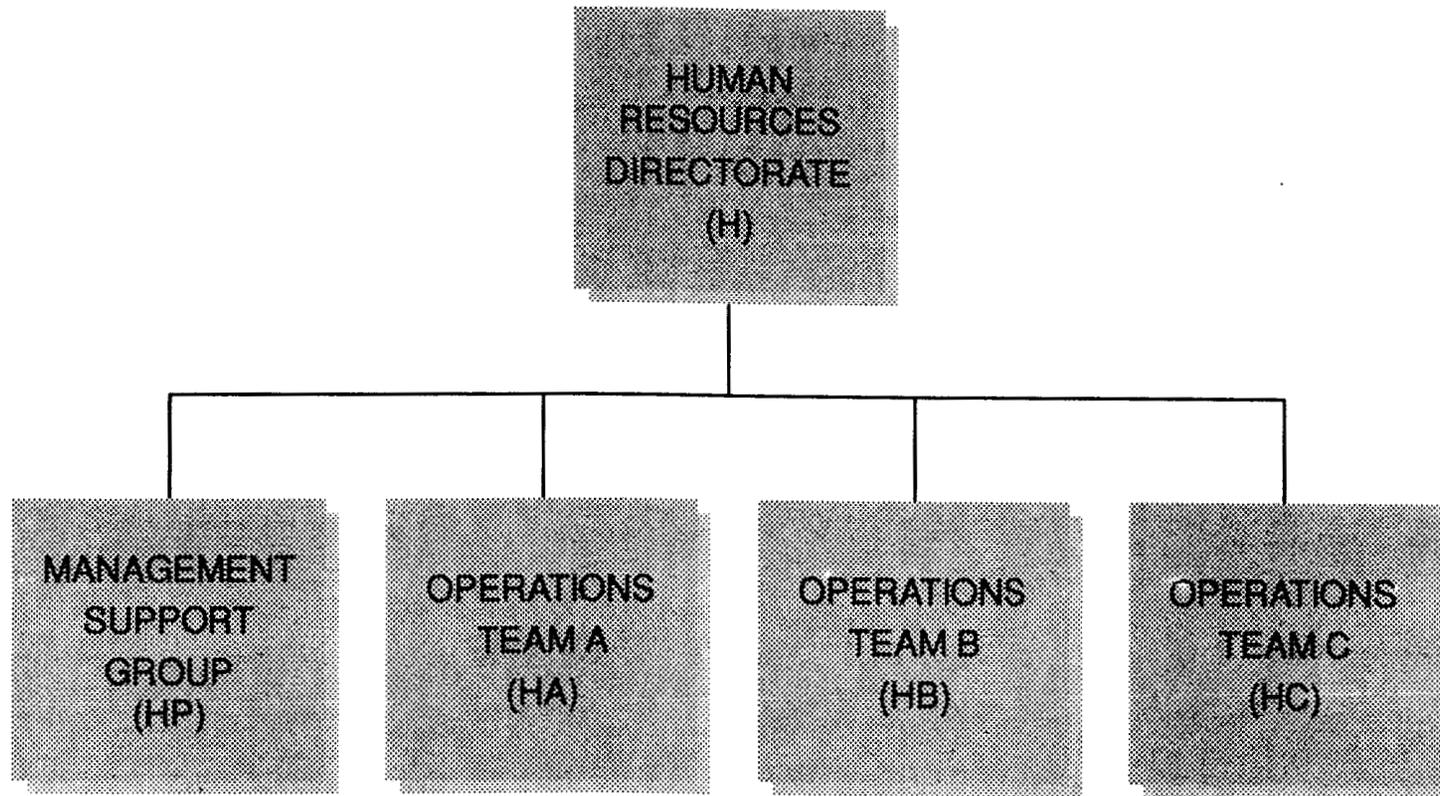
FLEXIBILITY

- \* OPERATIONAL
- \* SHORT TERM
- \* SERVICE DELIVERY
- \* OPERATING INITIATIVES

← ASSURANCE FACILITATE →



# Human Resource Reorganization



- ★ From Functional Organization to Regional Multifunctional Teams
- ★ One Stop Shop
- ★ Span of Control from 1:8 to 1:15
- ★ Servicing Ratio from 1:70 to 1:100 *↳ Mgmt. support group.*

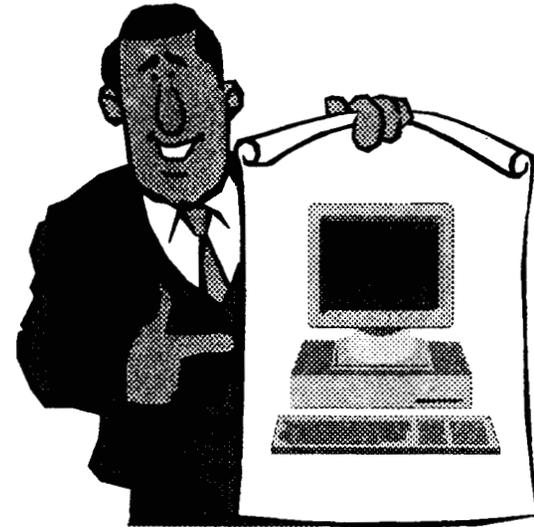
# District Level Successes

## Automation Process

- Enterprise Networking
- Imaging
- Automated SF 52
- Performance Labor Accounting System  
(PLAS) - *measuring labor costs*

# Imaging Official Personnel Folders

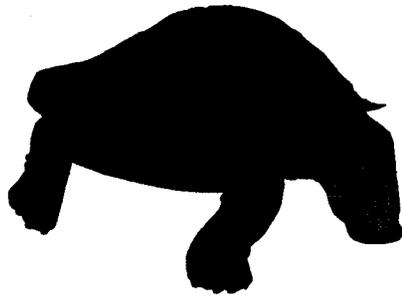
- **Paperless OPF**
- **Document Conversion/Scanning**
  - ✓ **Approx. 1.5 Million Pages**
  - ✓ **October 1994 - February 1995**
- **Standard Indexing**
- **Verification: OPM Requirement Beginning Mid-October**
- **On-Line Retrieval**
  - ✓ **Accessible Immediately for Human Resources**
  - ✓ **Viewing Stations at AOs & DPROs**



# Automated SF 52

- **PARS Starting Point**
- **Enhancements**
  - ✓ **Linked to DBMS (APCAPS) Database update**
  - ✓ **Complete Automated Workflow to Imaged OPF**
- **Prototype System Development**
- **Uses Existing Automation Architecture**
- **Implementation Status**
  - ✓ **24 Sites Completed**
  - ✓ **Remaining Sites Coincide With Novell Implementation**

# Performance Labor Accounting System Software Development Cycle

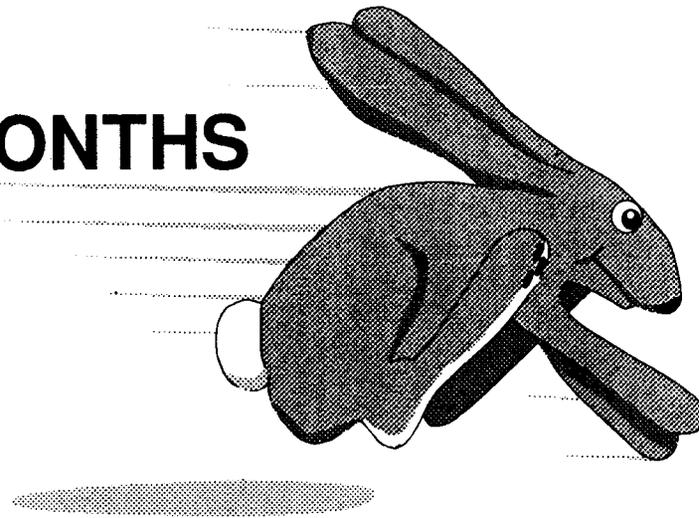


**5-7 YEARS**

- **Traditional Approach**

- ✓ Define Requirements
- ✓ Design Program
- ✓ Code Program
- ✓ Test Program
- ✓ Deploy Program

**10 MONTHS**



- **PLAS Approach**

- ★ Integrated Team
- ★ In-House Programmer
- ★ Concurrent Development/  
Coding/Test
- ★ Large Scale User Testing
- ★ Iterative Design Process

# **Integrated Management Process**

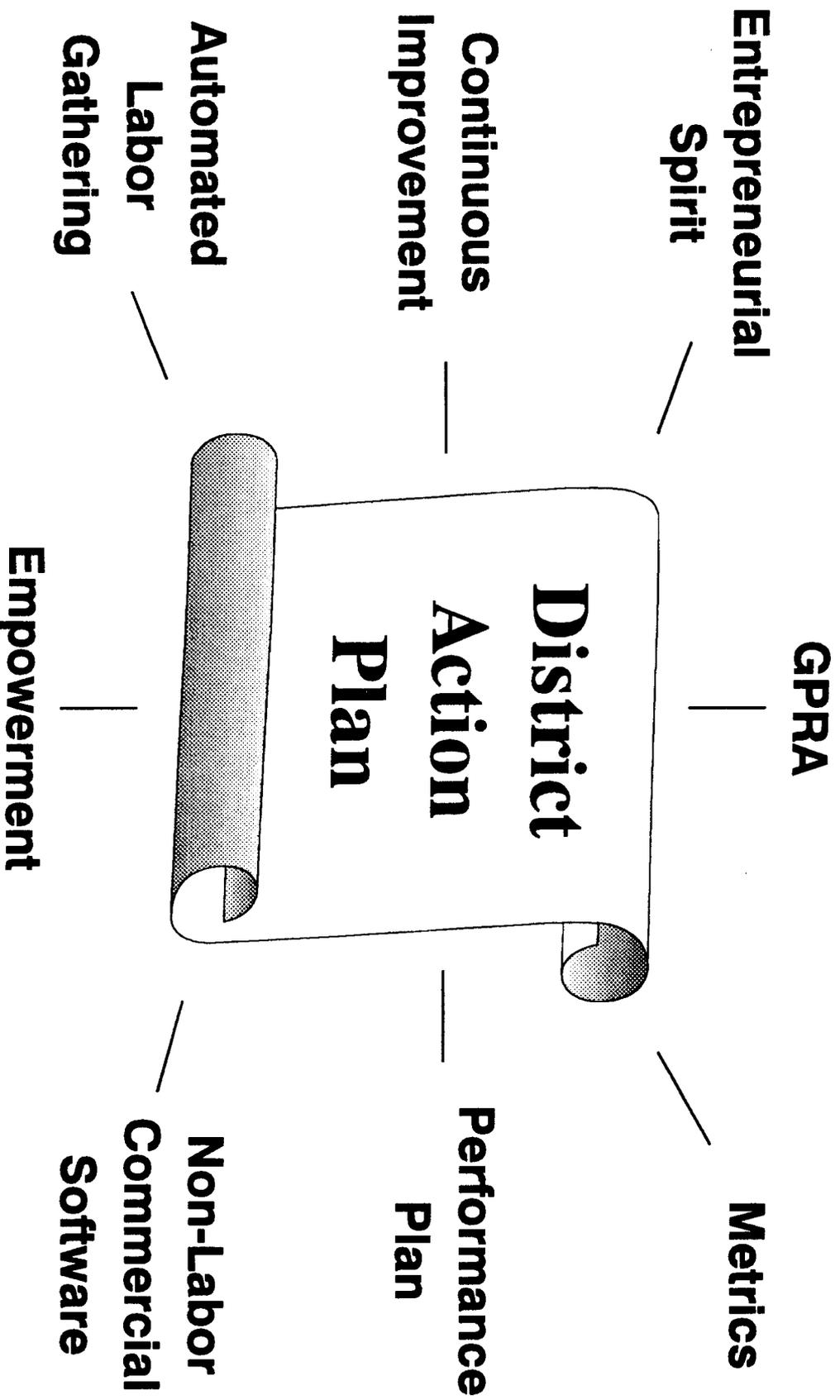
- **Government Performance and Results Act (GPRA)**
  - ✓ **Unit Self Assessment**
- **Labor Management Relations Committee (LMRC)**
- **Career Tracks**
- **Team Awards**

# VSIP / VERA



- ✓ **FY 93: 118 VSIPs**
- ✓ **FY 94: 516 VSIPs**  
**Including 183 VERAs**
  
- ✓ **Bottom Line:**  
**Reduce Workforce**  
**Without RIF or Mission**  
**Failure**

# District Vision



Equals Improved Customer Satisfaction & Competitiveness

# Performance Auditing



- **Unit Self Assessment (USA)**
  - ✓ **Perform Annually**
  - ✓ **DCMDW Executive Leadership participated in Staff USA**
  - ✓ **Oct Workshop**
    - **Produce Reference Document with Best Practice**

# Support of Command Initiatives

- **Federal Contract Administration Services (FEDCAS)**  
*Support of other agencies*
- **PROCAS**  
*Process Oriented Cont. Admin Svcs - Team w/ McDonn-Doug  
AF or TRW, etc.*
- **Early Contract Administration Services (ECAS)**
- **Activity Based Costing (ABC) —→ PLAS**  
*sys. perf. abor costing*
- **Expiring Funds**
- **Contract Closeout**
- **Contractor Overhead Strategy**

# **BRAAC 95 - Why L.A.?**

- **California - A Viable, Strong Business State**
  - **Entrepreneurial, diversified**
  - **Rate of employment outranks most states**
    - **17% of newly created jobs**
  - **Science based industries**
    - **27% of U.S. computer industry**
    - **30% of U.S. biotech sectors**
  - **No. of businesses leaving state down 29%**
  - **Rental costs for office space down 50%**
  - **Strong global ties**
    - **Partnership with Mexico**
    - **Gateway to Pacific Rim**
- **Predominant state supporting DoD**

# Comparison of DoD Expenditures (\$B)

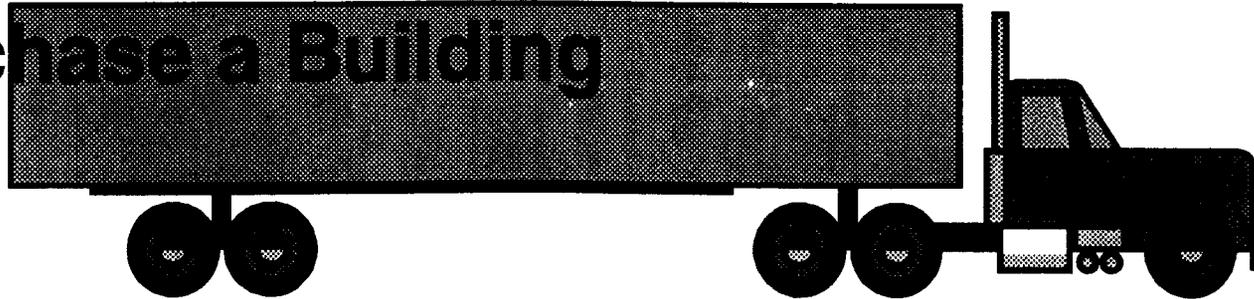
<b><u>STATE</u></b>	<b><u>PAYROLL</u></b>	<b>PRIME <u>CONTRACTS</u></b>
<b>California</b>	<b>13.5</b>	<b>22.6</b>
<b>Massachusetts</b>	<b>1.8</b>	<b>5.1</b>
<b>Georgia</b>	<b>4.3</b>	<b>4.1</b>
<b>U.S. Total</b>	<b>99.8</b>	<b>110.3</b>

# DOD Expenditure Top Ten Locations (\$B)



# BRAC 95 Redirection

- **Absorb a Portion of DCMD South**
- **Relocate to Government Facility**
- **Relocate to Least Cost Commercial Facility**
- **Purchase a Building**



- **Advantages**
  - **Broader Range of Options for Relocation**
  - **Ability to Negotiate When Rates are Low**

# BRAC Decisions and Impact

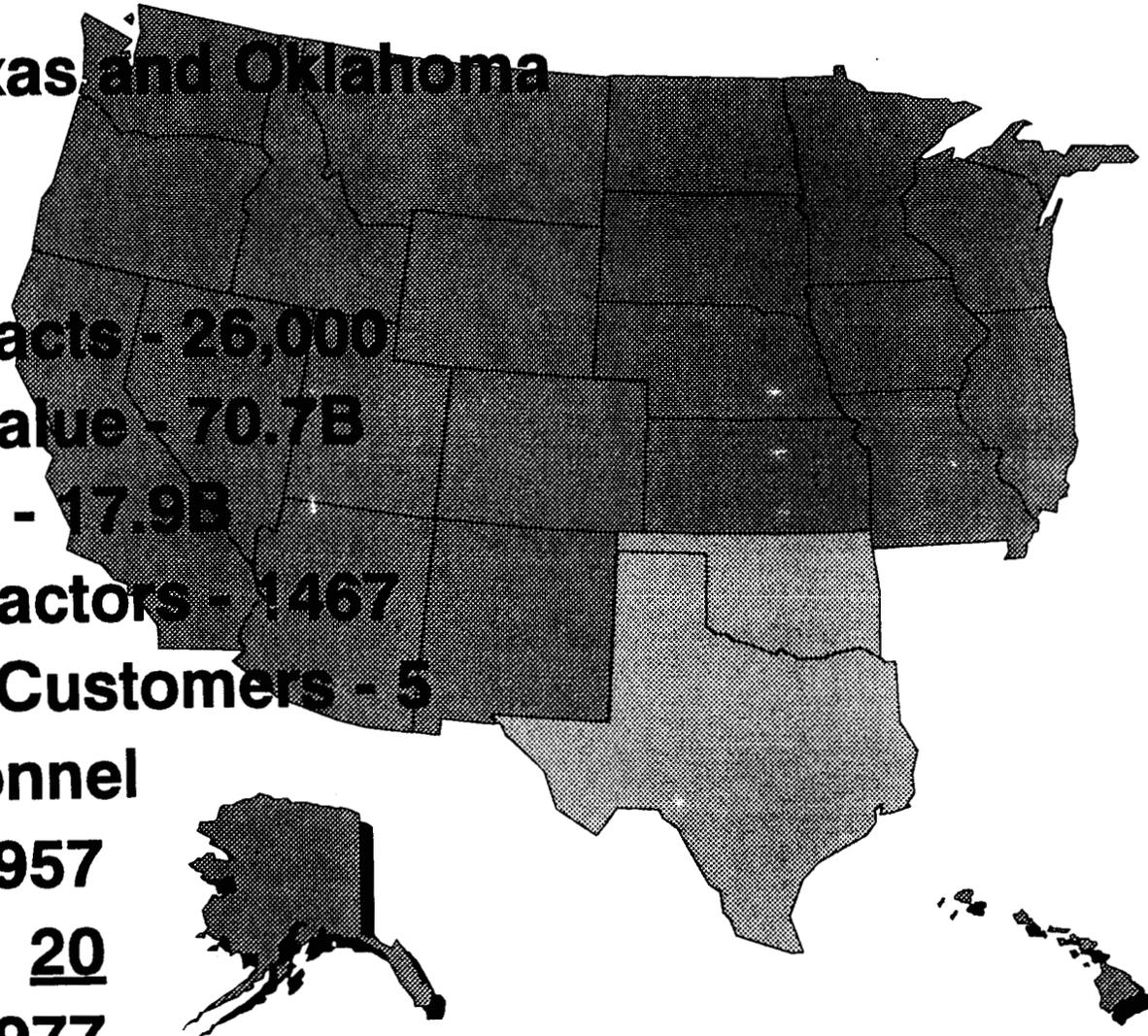
- **DCMD South**

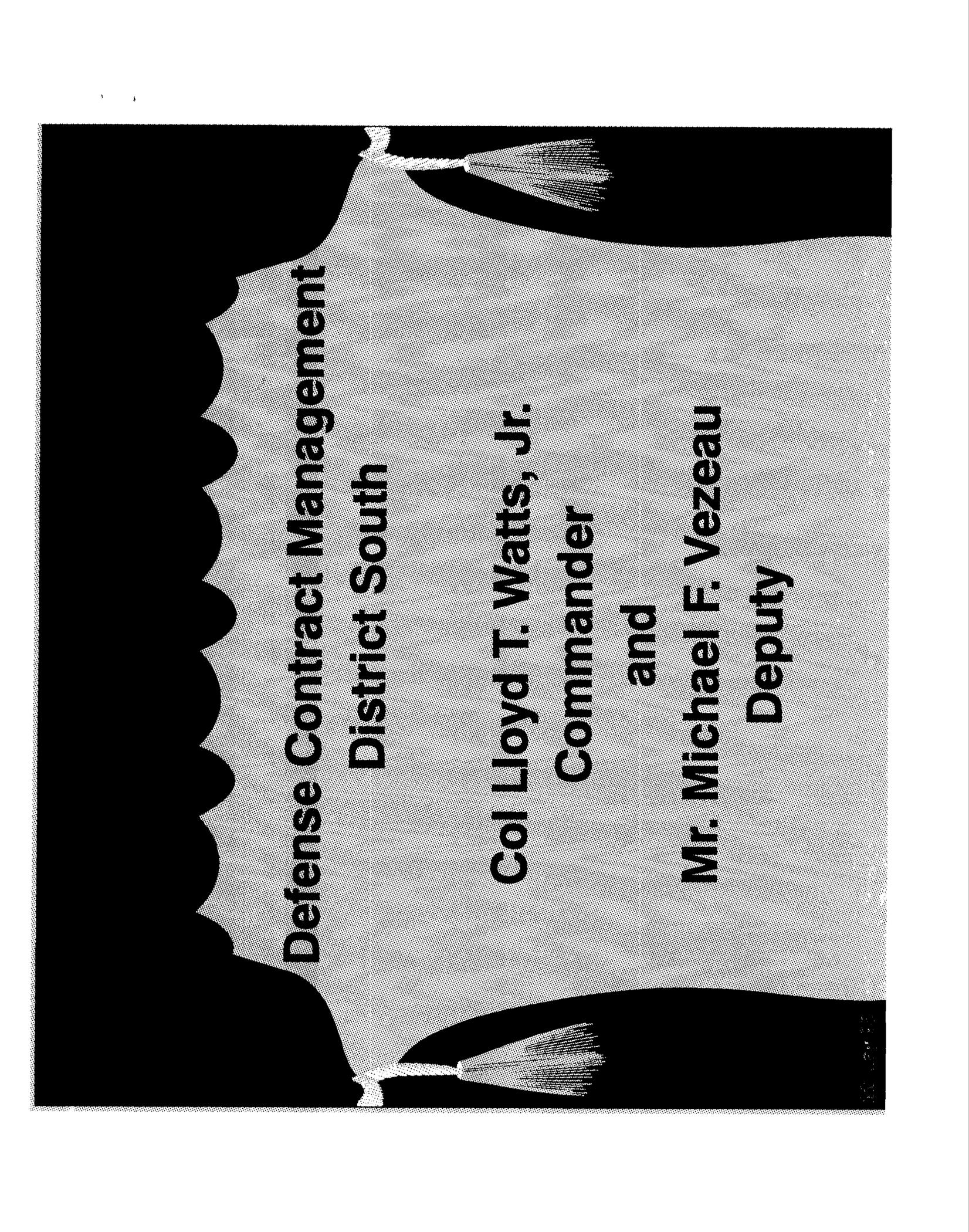
- States of Texas and Oklahoma
- 2 DCMAOs
- 7 DPROs
- No. of Contracts - 26,000
- Contract \$ Value - 70.7B
- ULO \$ Value - 17.9B
- No. of Contractors - 1467
- No. of Lead Customers - 5
- No. of Personnel

**CAO - 957**

**HQ - 20**

**Total 977**





**Defense Contract Management  
District South**

**Col Lloyd T. Watts, Jr.  
Commander**

**and**

**Mr. Michael F. Vezeau  
Deputy**

23 May 95

Marilyn,

Sorry this took so long, but someone had walked out with the list after the briefing by Col Watts and it did not appear until after you had departed. Doris left on vacation today and no one knew where she had put it. Luckily, the secretary hunted it down.

I have typed the list so it is easier to read and have attached a copy of the original list also.

<u>NAME</u>	<u>ORGANIZATION</u>
Doris Sciara	DCMD South
Mary Whitlock	DCMD South
Chester Orndorff	DCMD South
Buddy Guidi	DCMD South
CDR Lee Bandlow	DCMD South
Eve Williams	DCMD South
Phyllis Patrick	DCMD South
Malcolm Dean	DCMD South
Col Lloyd Watts, Jr	DCMD South
Marilyn Wasleski	DCMD South
Michael Vezeau	DCMD South
Roy Robinson	U.S. Senator Sam Nunn
Col. Gary Boylan	DPRO Lockheed
Robert Murphy	DCMD South
J. R. Tarr	DCMD South
James L. Bauer	DCMD South
Edward L. Corley	DCMD South
Craig Satterlee	Cobb County Habitat for Humanity
Brian Noyes	U.S. Senator Paul Coverdell
John Watson	U.S. Congressman Bob Barr
Fred Aiken	U.S. Congressman Newt Gingrich
Don Beaver	Cobb County Dir. of Economic Dev. Governor's Military Advisory Council

I don't know if you are interested in the names of the speakers not identified by name in the program, but I have taken the liberty of adding them here since some of them did not arrive for the District presentation.

Susan Naum	American Red Cross
Connie Kirk	Tommy Nobis Center
Jeff McClellan	Tommy Nobis Center

Again, I want to thank you so much for taking the time to come to our District and giving the community an opportunity to provide input to the evaluation process. I know that those of us who participated in the presentation certainly appreciate it. We intend to contact Sen. Nunn's office with a request that he investigate the possibility of community input on our behalf at the 9 June hearing in Atlanta. If I can be of any service to you, please call me on (404) 590-6418.

TERRY JANSEN

Name	Organization
Nancy Scavia	DCMD South
Mary Whitlock	DCMD South
Chester Orndorff	DCMD South
Buddy Guidi	"
CDR Lee Bandlow	DCMD SOUTH
EVE Williams	DCMD5-DI
Shyllie Patrick	DCMD5-OP
Col Lloyd WATTS, JR	DCMD South
Marilyn Wasleski	BRAC
Michael F. VEZEAU	DCMD South - Deputy
ROY ROBINSON	U.S. SENATOR SAM NUN
GARY BOYLAN, COL, USAF	CMDE - DPRO - LOCKHEED M
ROBERT MURPHY	DCMD SOUTH
J R TARR	DCMA - South
James L. Bauer	DCMD - SOUTH
Edward L. Cooley	DCMD - South
Brian Noyes	Habitat for Humanity
John Watson	Sen. Paul Coverdell
Fred Aiken	Congressman Bob Barr
DON BEAVER	Cong. Newt Gingrich
	Gov's Military Advisory Council
	Dir. ECONOMIC DEVELOPMENT
	COBB County

**DISTRICT SOUTH  
OFFICE OF INTERNAL REVIEW  
FAX**

MAY 23 1995 14:30 DCMD5 D1 4845986255

DATE: 5/23/95 NO. OF PAGES: 3 (including cover page)

TO: Marilyn Wasleski ORGANIZATION: Defense Base Closure & Realignment Commission

SUBJECT/REFERENCE: List of attendees at BRAC presentation

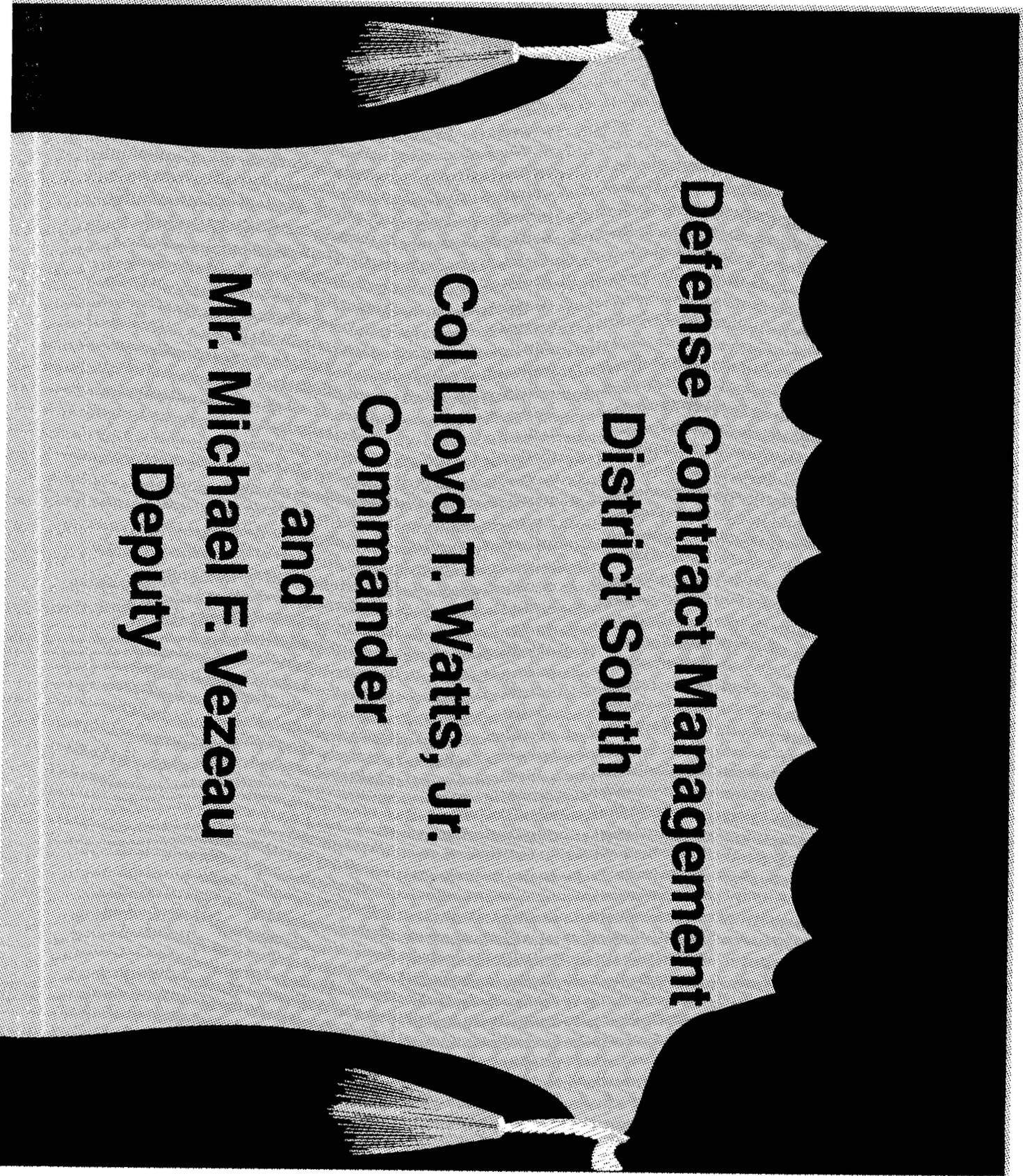
PHONE: (DSN)- \_\_\_\_\_ COMM. (703)- 696-0504

FAX: (DSN)- \_\_\_\_\_ COMM. (703)- 696-0550

FROM: Terry Jansen POSITION: Auditor, Internal Review Office

PHONE: (DSN)- \_\_\_\_\_ COMM. (404)- 590-6418

PAGE 1

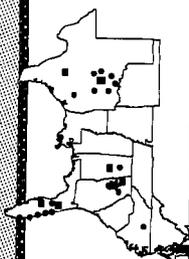


**Defense Contract Management  
District South**

**Col Lloyd T. Watts, Jr.  
Commander**

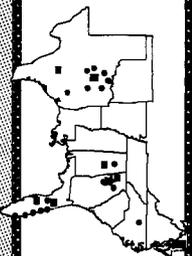
**and**

**Mr. Michael F. Vezeau  
Deputy**

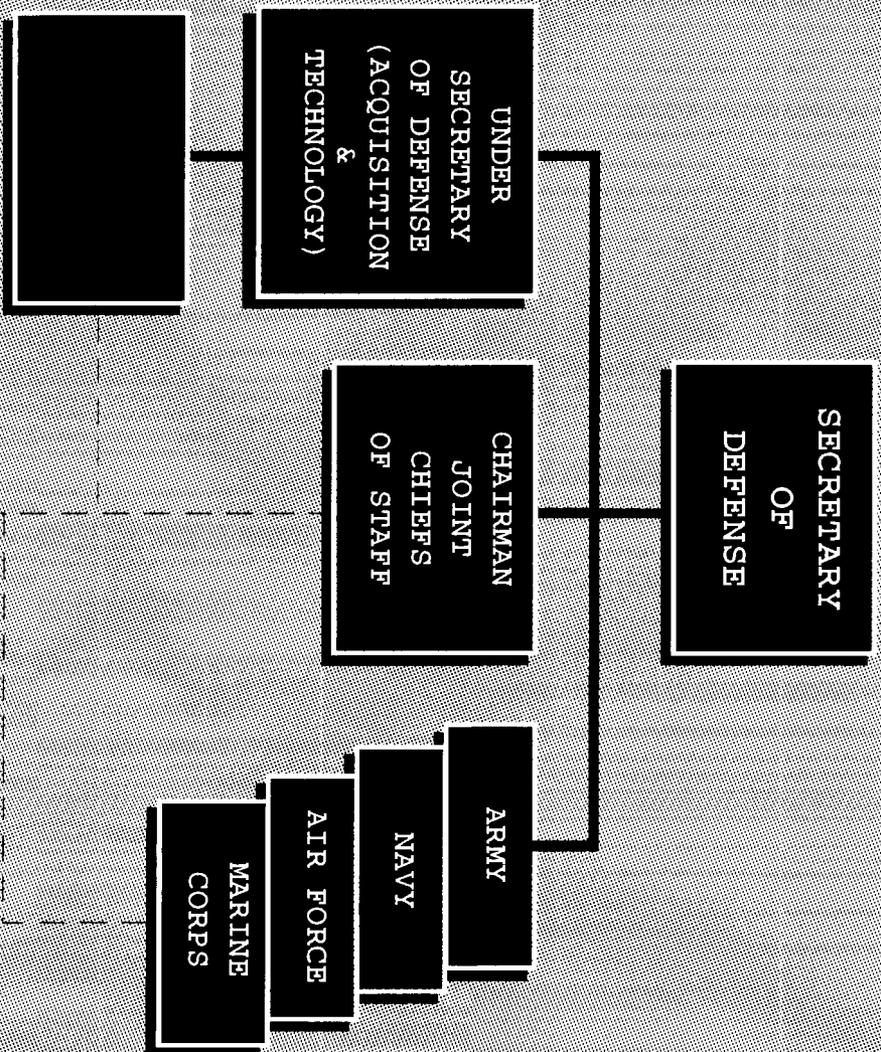


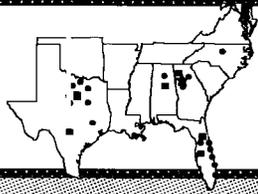
# DCMD South

- WHO WE ARE
- WHAT WE DO

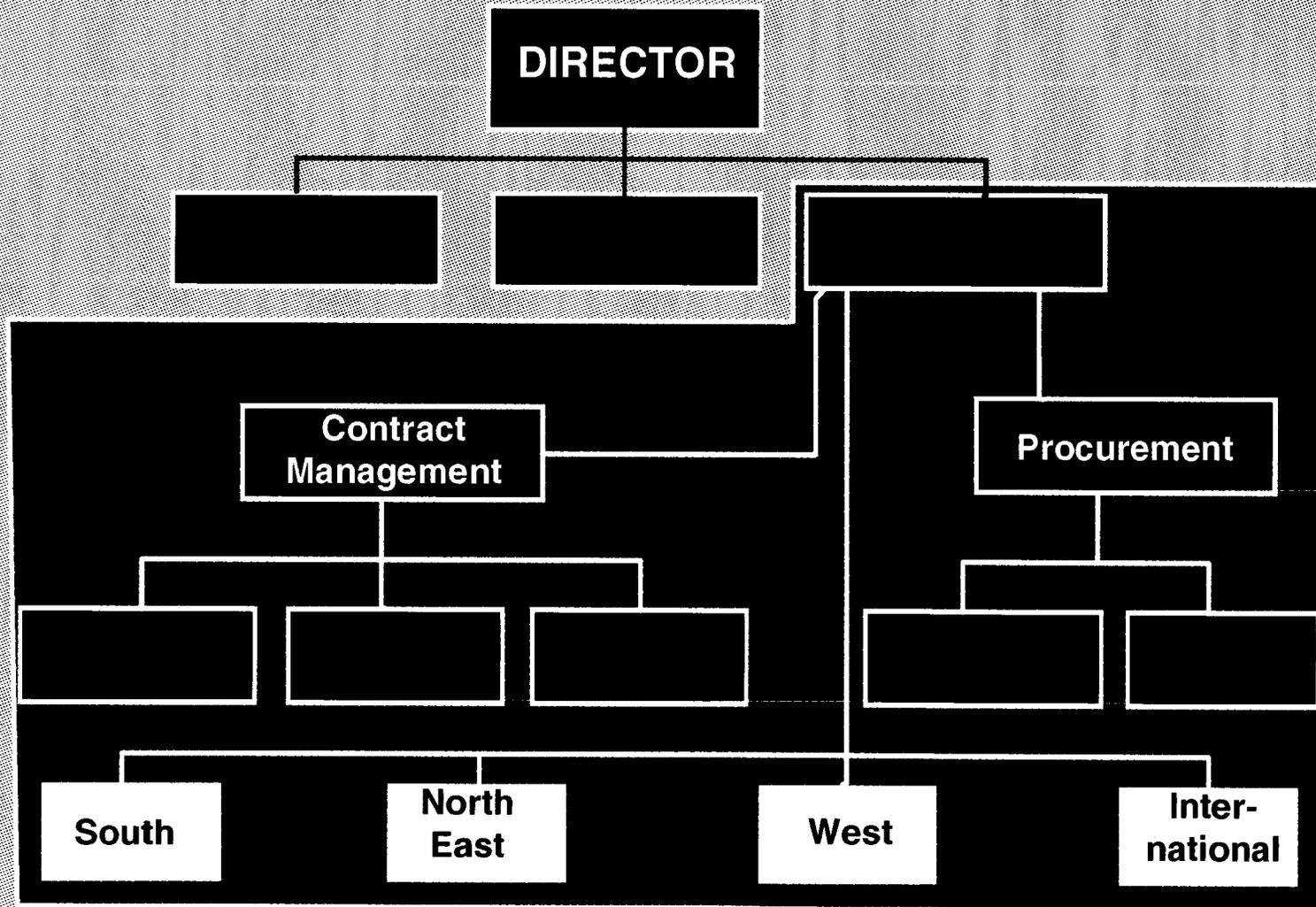


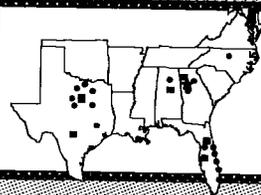
# Organizational Relationships





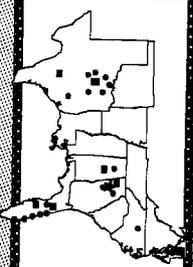
# Defense Logistics Agency





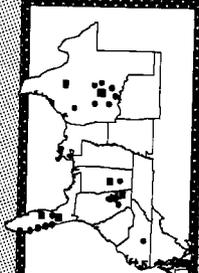
## **Defense Contract Management Command Mission**

**We provide worldwide contract administration services (CAS) in support of DoD components, National Aeronautics and Space Administration, and other designated federal and international organizations.**

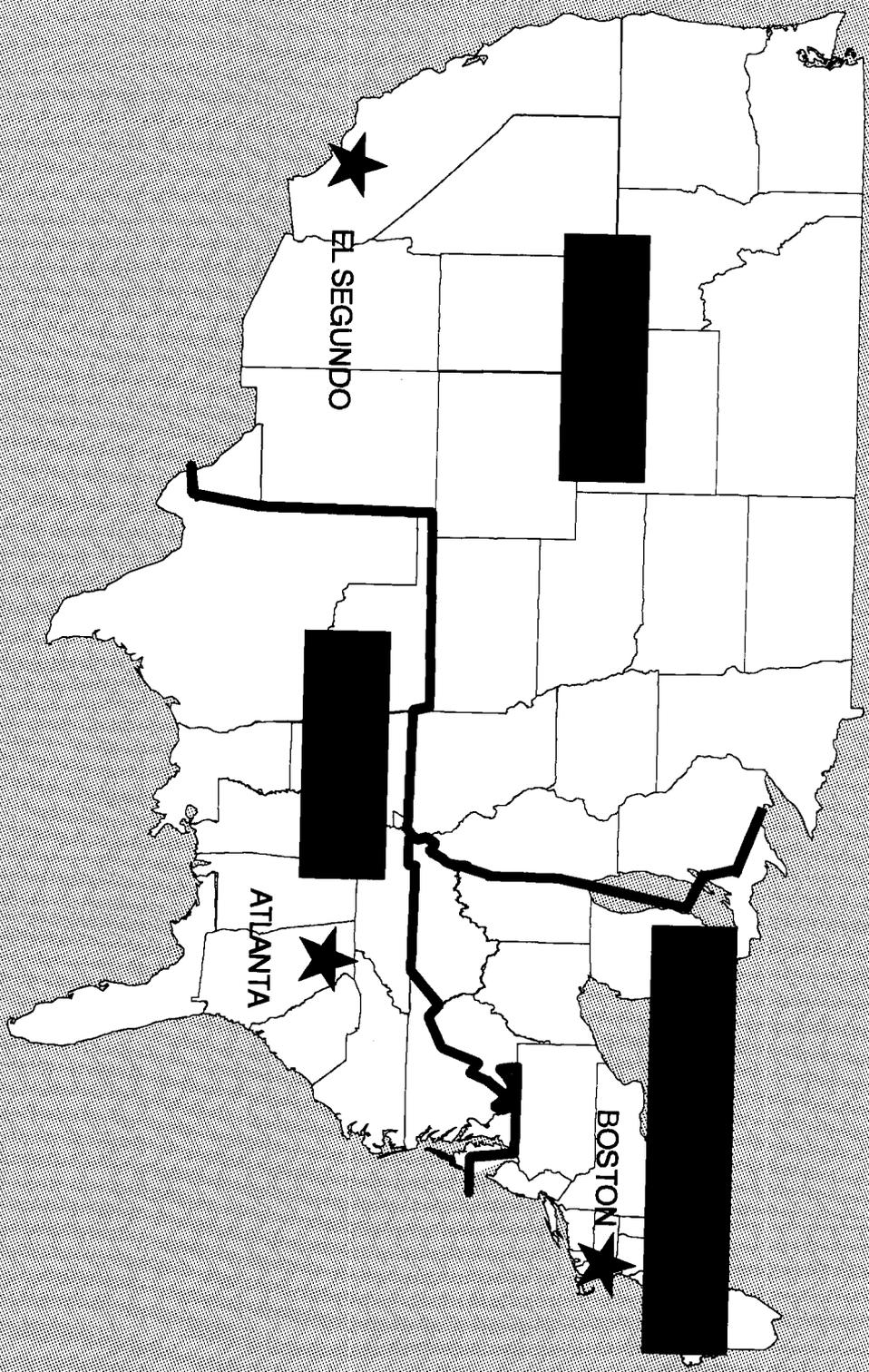


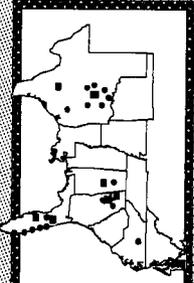
# DCMC Mission

- **Assure contractor compliance with cost, delivery, technical, quality and other terms of the contract**
- **Accept products on behalf of the government**
- **Provide program and technical support**
- **Ensure that the contractor is paid**



# Defense Contract Management Command





# BRAC 93

**Before Consolidation**



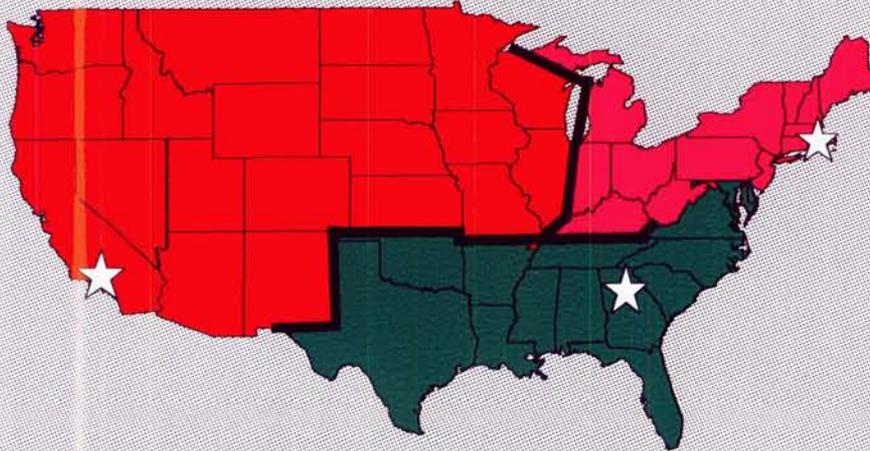
**After Consolidation**



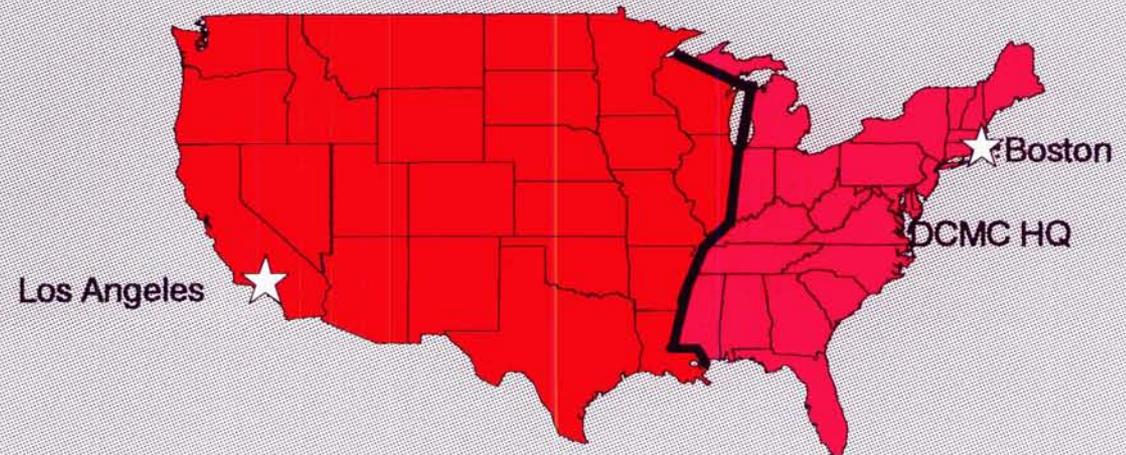


# BRAC 95

Before Consolidation

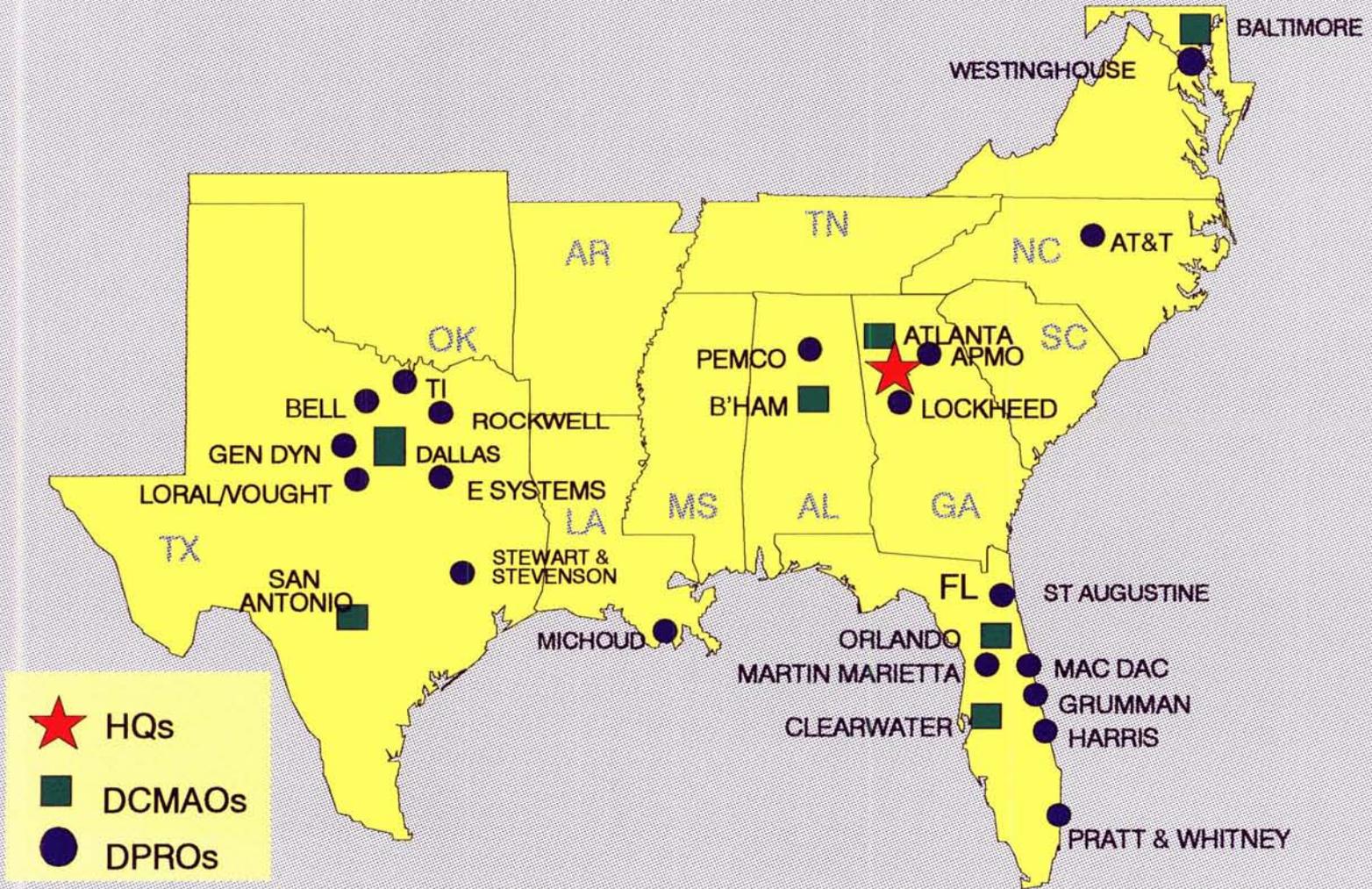


After Consolidation



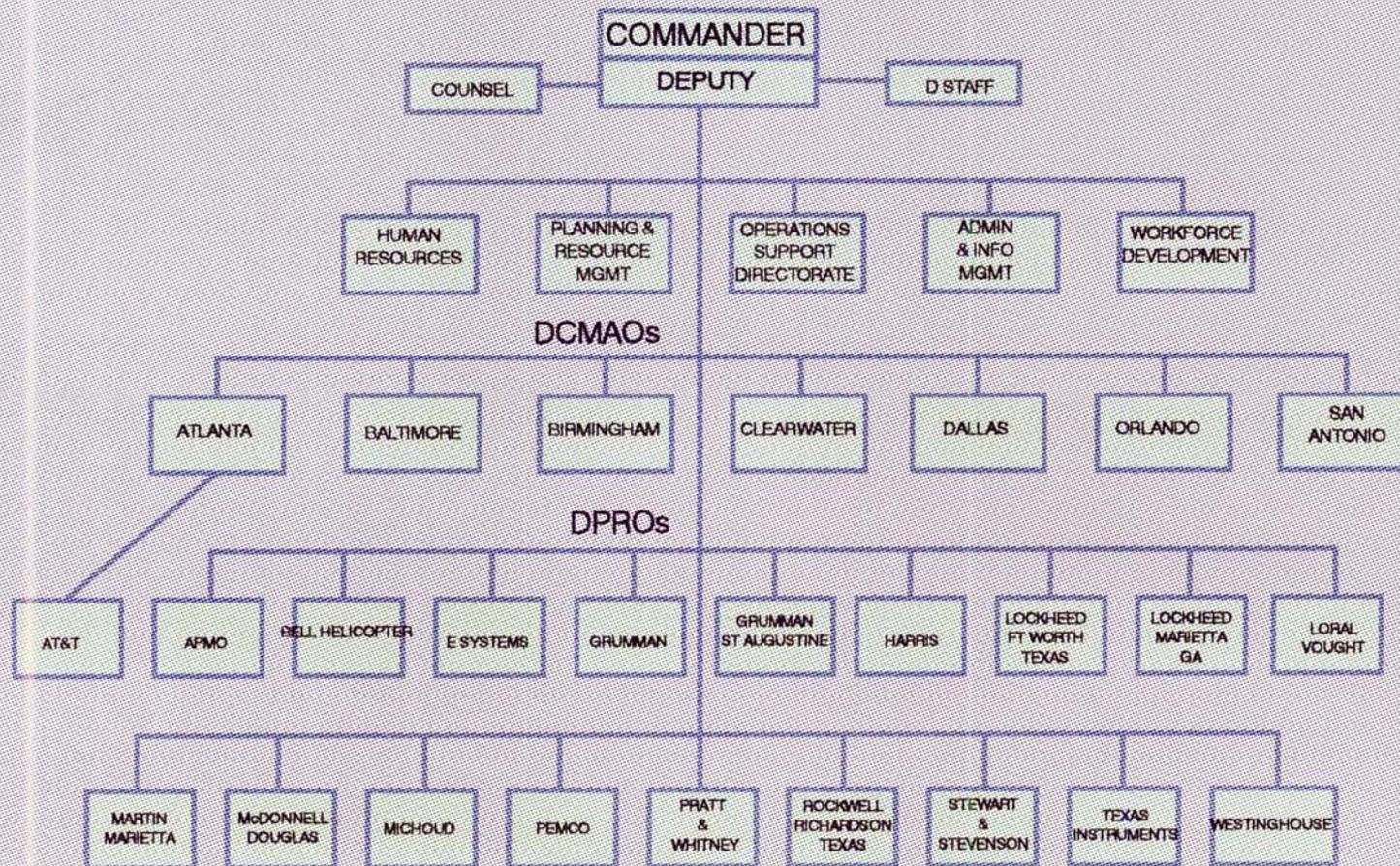


# DCMD South





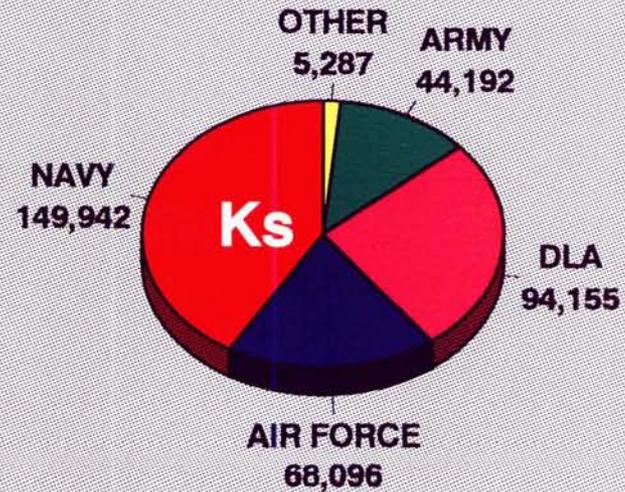
# Defense Contract Management District South



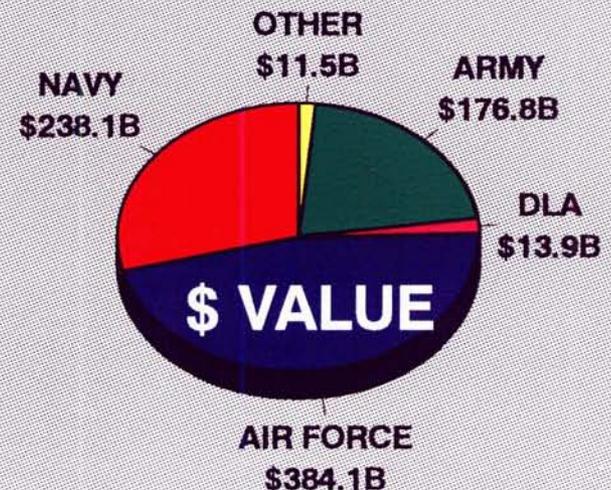


# DCMC at a Glance

**Prime Contracts: 361,672**  
*(24,000 Contractors)*



**Contracts Value: \$844.4 Billion**  
*(\$177B ULO)*



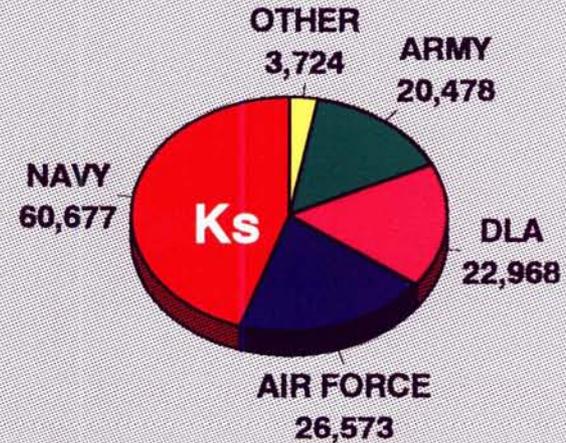
**Workforce:**

Civilian	16,924
Military	<u>633</u>
<b>TOTAL</b>	<b>17,557</b>

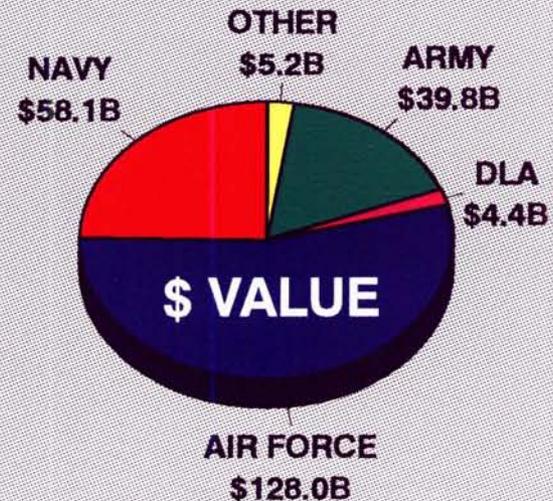


# DCMD South at a Glance

**Prime Contracts: 134,420**  
**(3,369 Contractors)**

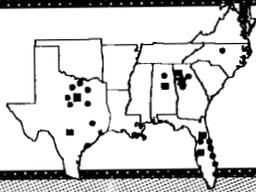


**Contracts Value: \$ 235.5 Billion**  
**(\$37B ULO)**



**Workforce:**

Civilian	3,285
Military	<u>137</u>
<b>TOTAL</b>	<b>3,422</b>



# DCMDS DAES Programs

## AIRCRAFT SYSTEMS

F22

F16

C130J

C130H

JSTARS

OH58D AHIP

LANTIRN

LONGBOW FCR

V22

AWACS RSIP (E-3A)



## MISSILES

JAVELIN

HARM

JSOW

ATACMS

MLRS

HELLFIRE

SM-2

LONGBOW MISSILE

PATRIOT

JDAM

AVENGER

## C<sup>3</sup> SYSTEMS

MILSTAR

SMART-T

SINGARS

NAVSTAR

SBIS

CMU

CASS

RCAS

CEC

## TORPEDOES

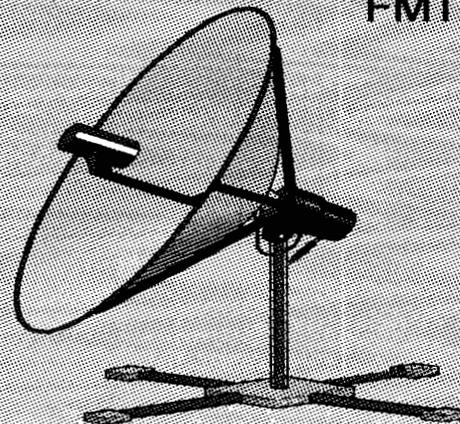
Mk-48 ADCAPS

## SURVEILLANCE

FDS

## WHEELED VEHICLE SYSTEMS

FMTV



## DCMDS MAJOR PROGRAMS

### AIRCRAFT SYSTEMS

F22	Advanced Tactical Fighter (ATF)
F16	Fighter Aircraft
C-130J	Cargo Transport Upgrade
C-130H	Cargo Transport
JSTARS	Joint Surveillance and Target Attack Radar System (Aircraft)
OH58D AHIP	Advanced Helicopter Improvement Program
LANTIRN	Low Altitude Navigation and Targeting System Infra-Red Night
LONGBOW FCR	Longbow Fire Control Radar
V22	Joint Advanced Vertical Aircraft Tilt Rotor
AWACS RSIP	Airborne Warning and Control System, Radar System Improvement Program

### MISSILES

JAVELIN	Advanced Anti-Tank Weapon System - Medium
HARM	High Speed Anti-Radiation Missile
JSOW	Joint Stand-Off Weapons
ATACMS	Army Tactical Missile System
MLRS	Multiple Launch Rocket System
HELLFIRE	Laser Hellfire System Air to Ground
SM-2	Standard Surface to Air Missile
LONGBOW	Hellfire Missile System Compatible with Longbow Fire Control
PATRIOT	Patriot PAC-3 Long Range Missile Improvement Program
JDAM	Joint Direct Attack Munitions
AVENGER	Forward Air Defense System

### C3 SYSTEMS

MILSTAR	Military Strategic/Tactical and Relay Satellite Communications System
SMART-T	Secure Mobile Anti-Jam Reliable Tactical System - Terminal
SINGARS	Single Channel Ground and Airborne Radio System
NAVSTAR	Global Positioning System
SBIS	Sustained Base Information System
CMU	Cheyenne Mountain Upgrade
CASS	Consolidated Automated Support System
RCAS	Reserve Component Automation System
CEC	Cooperative Engagement Capability

### TORPEDOES

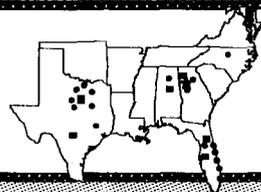
MK-48 ADCAPS	Advanced Capability Torpedo System
--------------	------------------------------------

### SURVEILLANCE

FDS	Fixed Distribution System, Anti-Submarine Warfare Surveillance System
-----	---

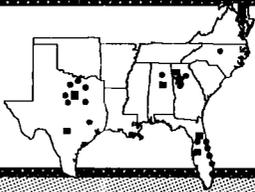
### WHEELED VEHICLES

FMTV	Family Medium Tactical Vehicles
------	---------------------------------

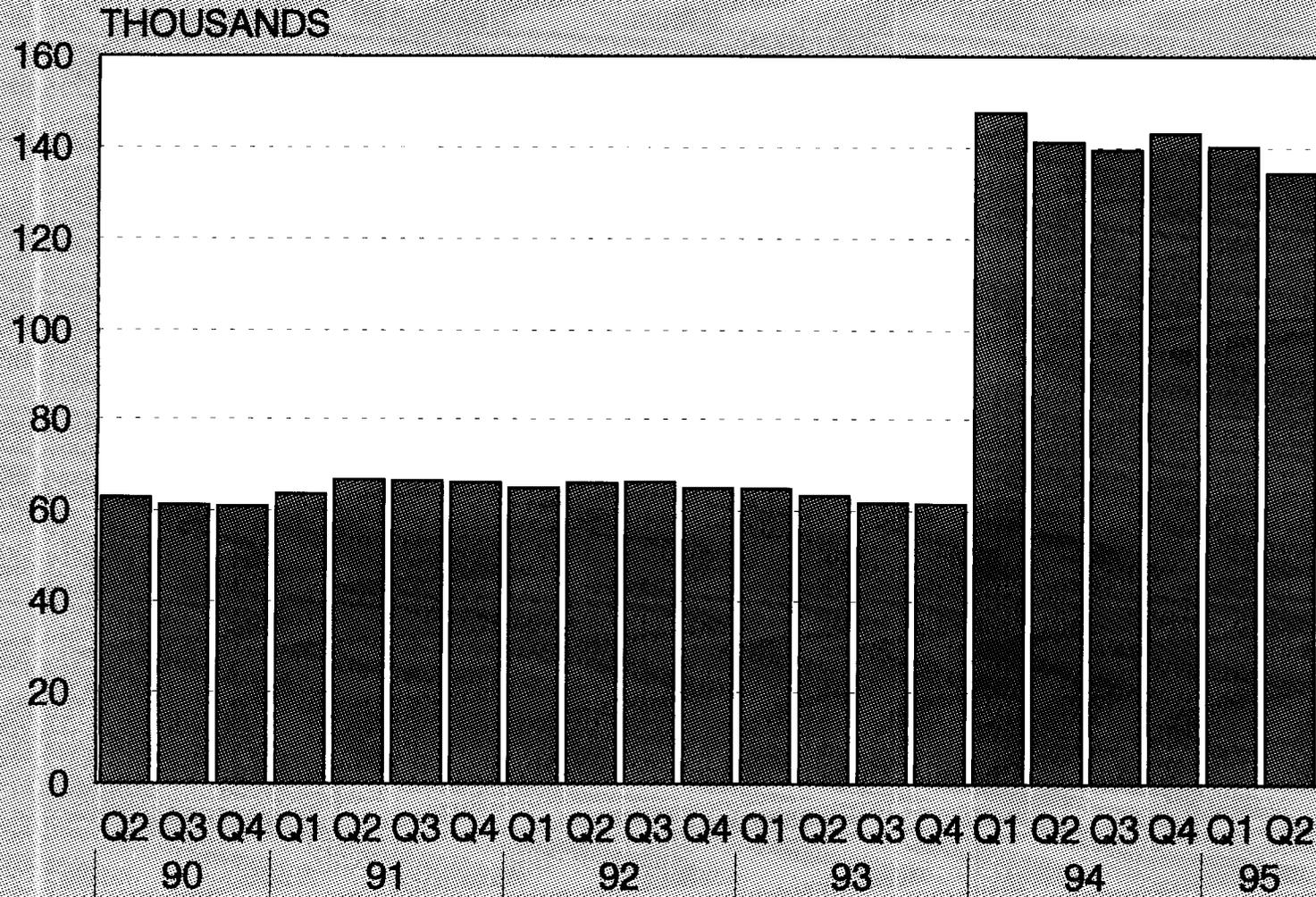


# DCMD South

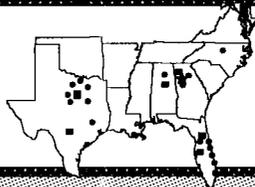
- **Oct 1965 — DCASR Atlanta Formed**
  - Former AF, Army, Navy and DSA Contract Admin Activities
  - One of Eleven DCAS Regions
- **Jun 1990 — DCMR Atlanta Established (DMRD 916)**
  - DCASR Atlanta
  - AFPRO Pratt & Whitney, West Palm Bch, FL
  - AFPRO Lockheed, Marietta, GA
- **Aug 1990 — DCMD South Established (DMRD 916)**
  - Former DCMR Atlanta
  - Former DCMR Dallas
    - – General Dynamics, Fort Worth, TX
    - – LTV
    - – Bell Helicopter
  - One of Five DCMDs & DCMC International
- **Jul 1994 — DCMD South Expanded**
  - BRAC of DCMD Mid-Atlantic
    - – DCMAO Baltimore
    - – DPRO Westinghouse
- **28 Feb 1995 DCMD South on BRAC**



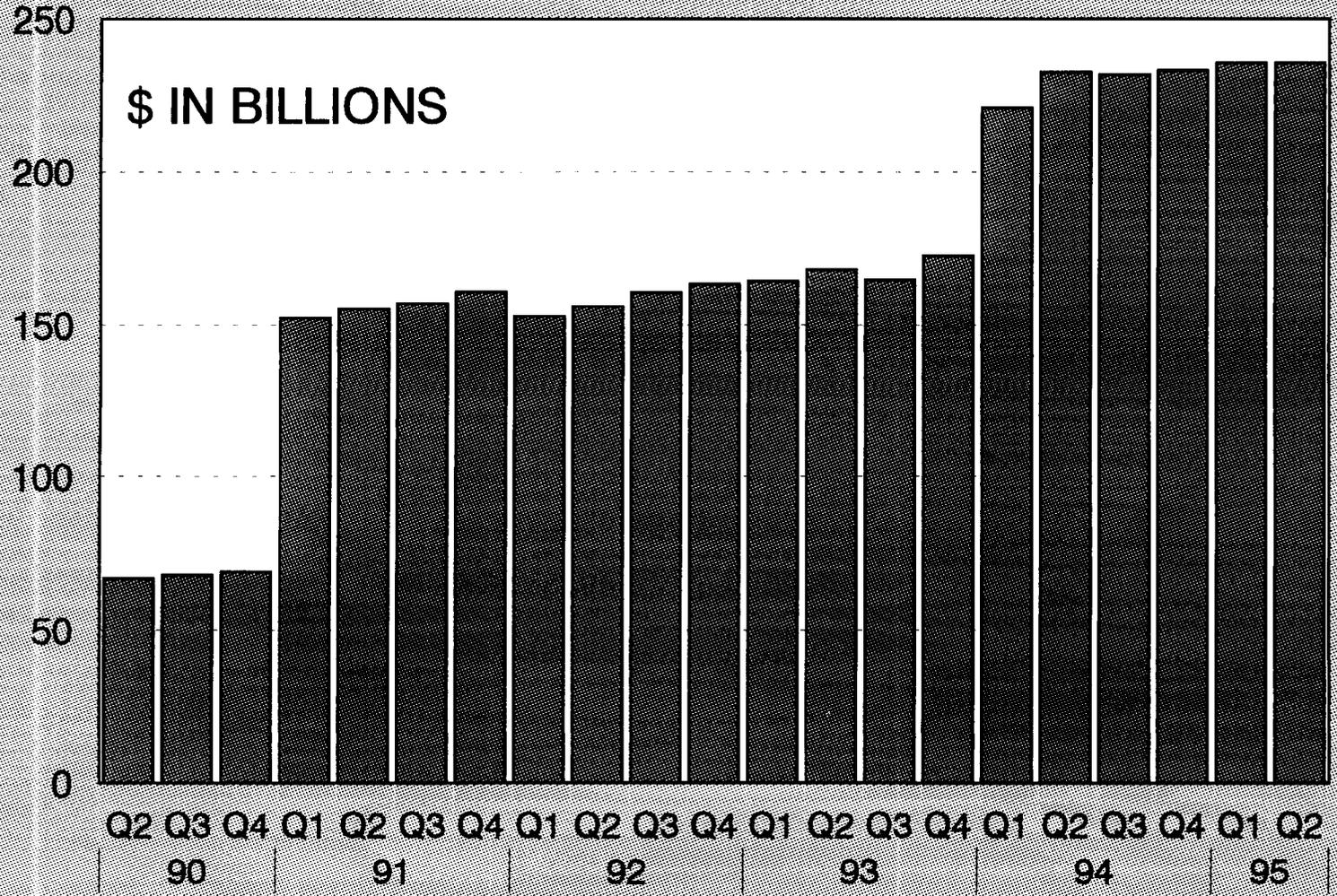
# Contract Count - DCMDS



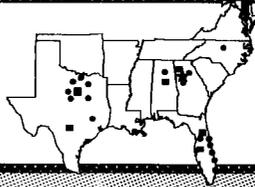
FY 94 INCLUDES DPRO WESTINGHOUSE AND DCMAO BALTIMORE



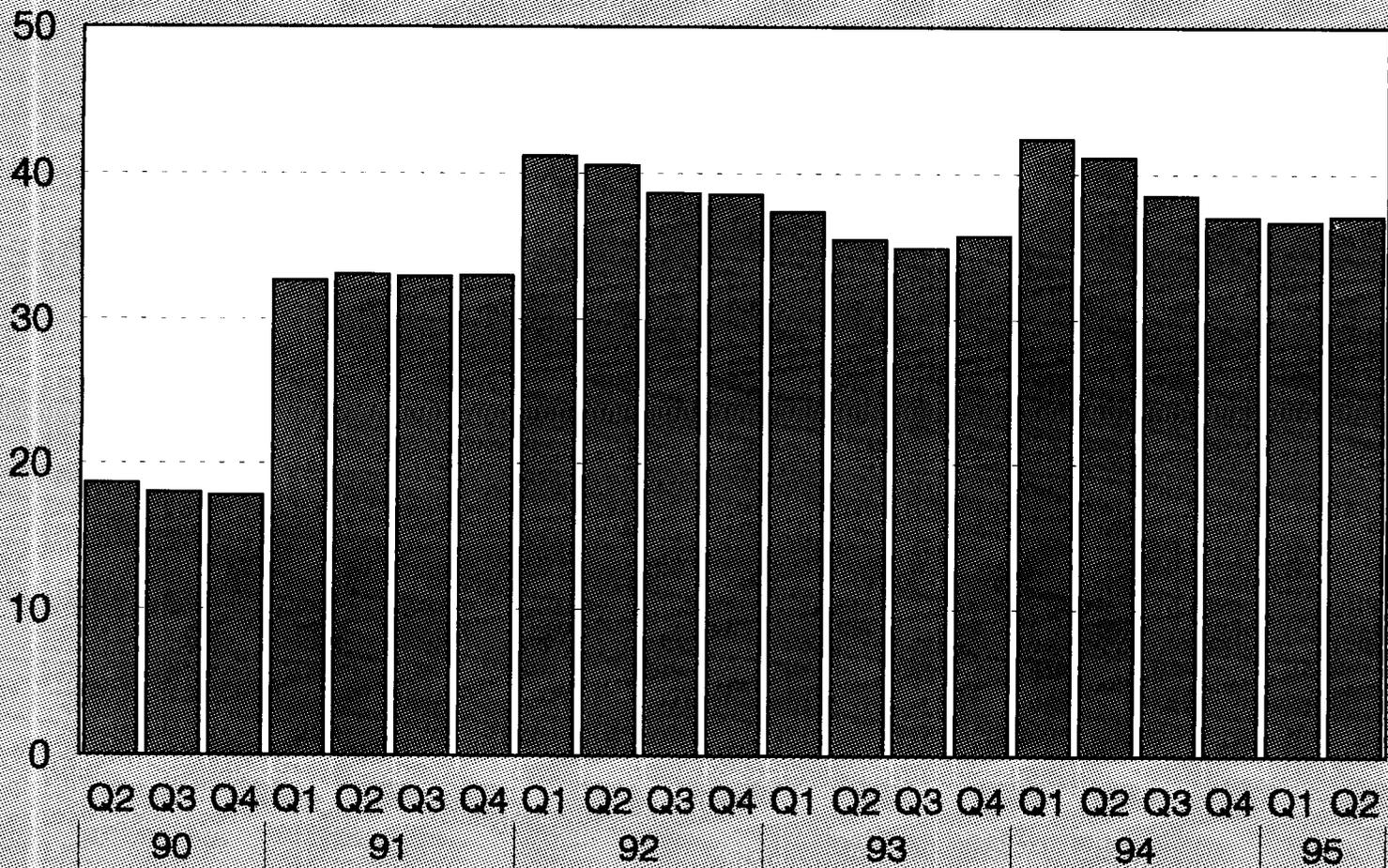
# Obligated Value Of Contracts DCMDS



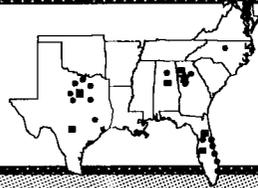
FY 94 INCLUDES DPRO WESTINGHOUSE AND DCMAO BALTIMORE



# Total Unliquidated Obligation DCMDS



■ UNLIQUIDATED OBLIGATIONS (\$ BILLIONS)

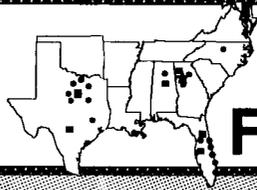


# DCMD South

## Budget Status

	(\$000)		<u>% Of Alloc</u>
	<u>Allocation</u>	<u>Obligations</u>	<u>Oblig</u>
Labor	\$174,069	\$86,317	49.6%
NonLabor	\$29,965	\$18,989	63.4%
PCS	\$3,535	\$2,273	64.3%
Total	\$207,569	\$107,579	51.8%

As of 31 Mar 95



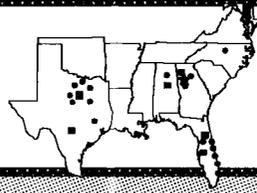
# DCMD South - General Profile

## FY 95 Civilian Authorized End Strength (AES)

		AES	O/B (03/11)
* DCMAOs (7)	56%	1882	1819
** DPROs (18)	37%	1243	1236
HQs	7%	<u>227</u>	<u>231</u>
		3352	3285

\* Includes DPRO AT&T

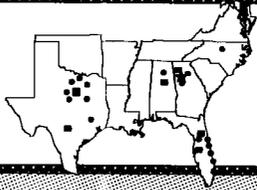
\*\* Includes APMO



## DCMD South

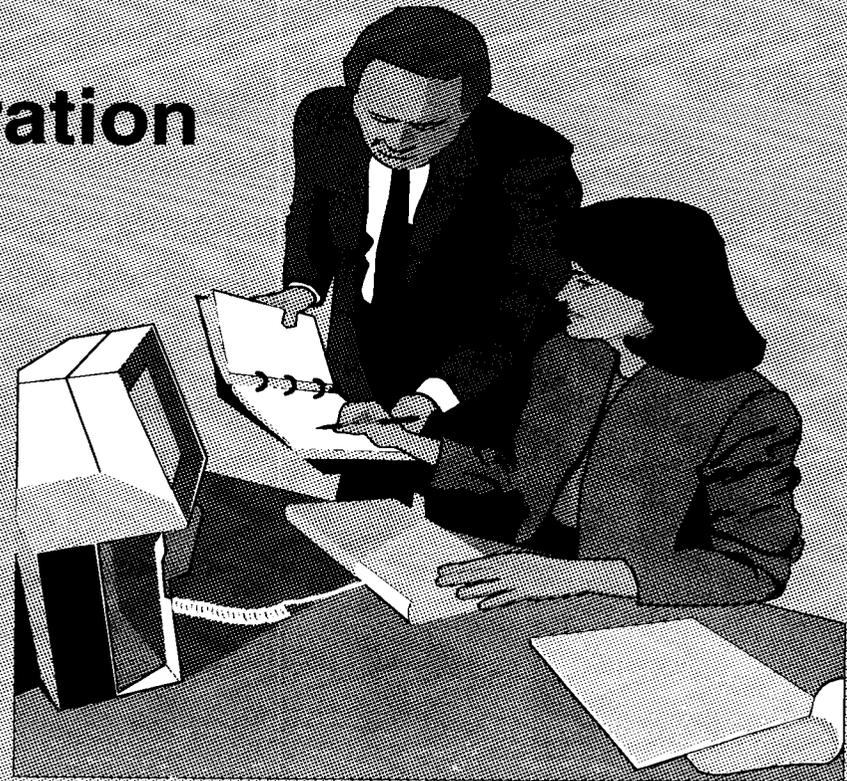
### End Strength

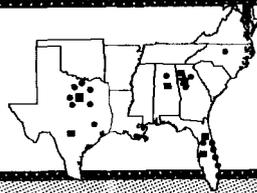
<b>FY89</b>	<b>- 1924</b>	<b>DCASR ATLANTA (130 DFAS)</b>
<b>FY90</b>	<b>- 3815</b>	<b>DCMDS (133 DFAS + 290 TMO)</b>
<b>FY91</b>	<b>- 3298</b>	
<b>FY92</b>	<b>- 3255</b>	
<b>FY93</b>	<b>- 2975</b>	
<b>FY94</b>	<b>- 3361</b>	<b>POST BRAC 93</b>
<b>APR 95-</b>	<b>3316</b>	



## **Mission of DCMDs Headquarters**

**Enable and Support the Contract  
Administration Offices  
in the Performance  
of Government  
Contract Administration  
Services**





## **DCMDS Vision**

**We, the members of District South,  
serve our country by ensuring timely delivery of  
quality products and services to  
our customers.**

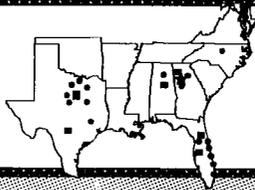
**We understand and satisfy our customers'  
expectations.**

**We treat people with dignity, trust and respect.**

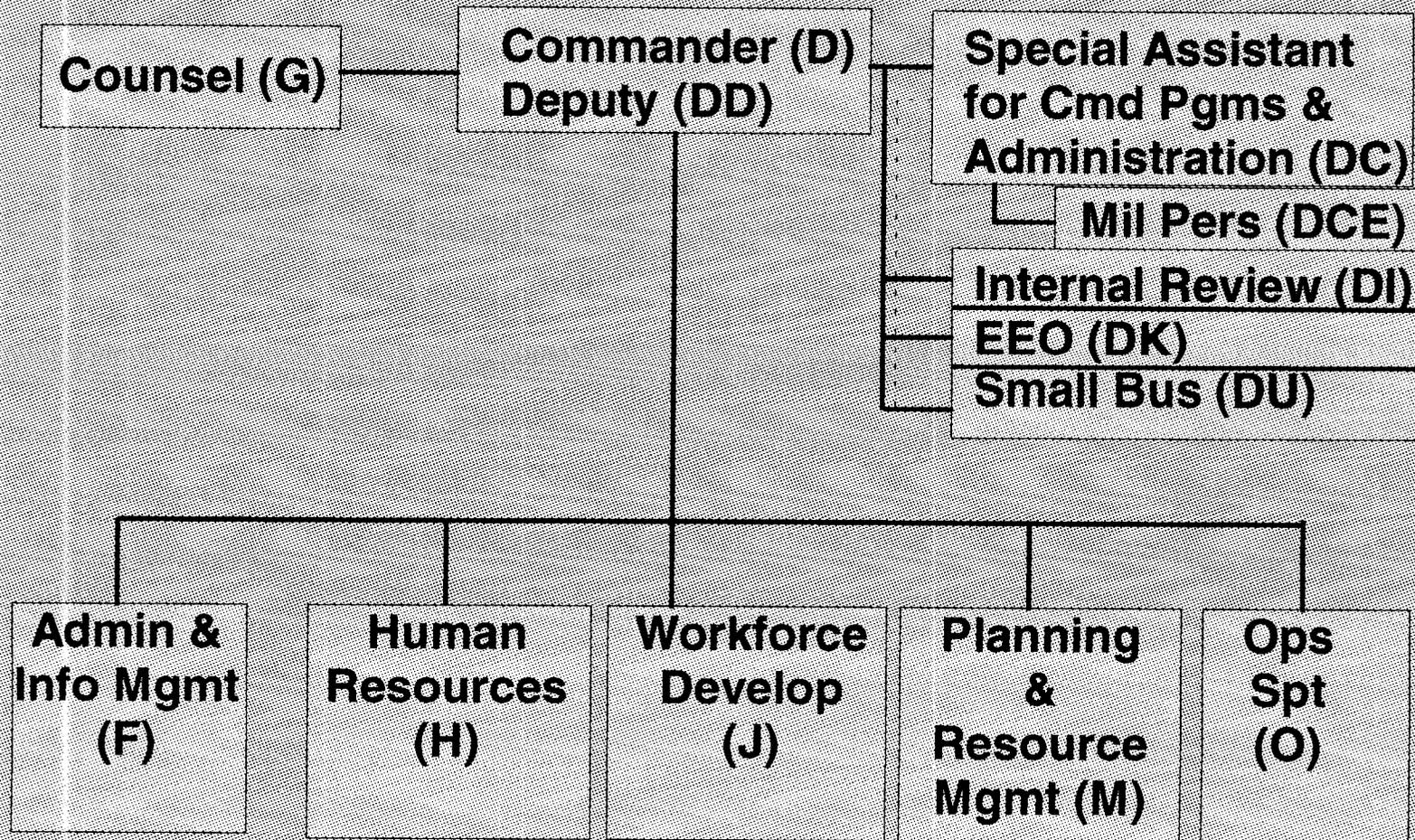
**Our work environment provides opportunity  
for individual growth and improvement.**

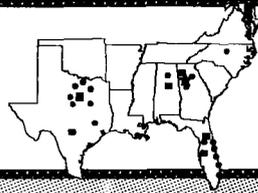
**We operate with integrity and ethics.**

**We use appropriate technology  
to best serve our customers.**



# DCMD South





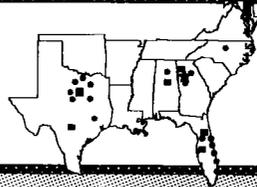
# DCMD South

## Command Programs and Administration (-DC)

- **Congressionals and Public Affairs**
- **Data Analysis and Integrity**
- **Assist DCMC in Metrics Development**
  
- **Military Personnel Office (-DCE)**
  - **Military Performance Reports and Assignments**
  - **Processing Awards/Decorations**
  - **Military Manpower Issues**
  - **Reserve Program Interface and Management**

**Civ - 5**

**Mil - 1**

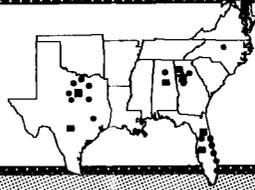


# DCMD South

## Office of Internal Review (-DI)

- **Conduct Internal Audits**
- **External Audit Liaison Program**
- **Accomplishes DLA Directed Audits**

**Civ - 4**  
**Mil - 0**

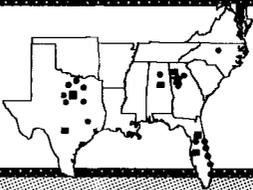


# DCMD South

## Office of Equal Employment Opportunity (-DK)

- **Implements EEO/Affirmative Action**
- **Manages EEO Complaint Process**
- **Oversite of Special Emphasis Programs**

**Civ - 4**  
**Mil - 0**

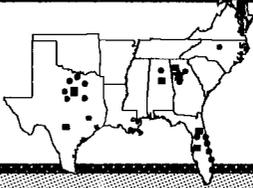


# DCMD South

## Small Business Office (-DU)

- **Ombudsman for Small and Disadvantaged Business Firms**
- **Liaison With Other Government Activities**
- **Assists CAO Small Business Staffs**

**Civ - 3**  
**Mil - 0**

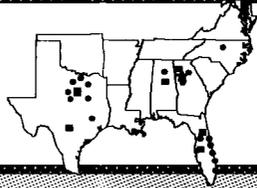


# DCMD South

## Administration & Information Management Directorate (-F)

- **Telecommunications Operations and Support**
- **Command Security Services**
- **Procures Supplies and Services**
- **Records Management Support**
- **Facilities Management**
- **Manages Video Teleconferencing Center**

**Civ - 51**  
**Mil - 0**



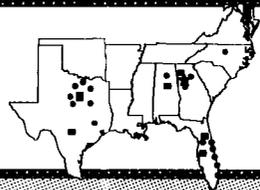
# DCMD South

## Office of Counsel (-G)

Provides Legal Advice and Representation in the Areas of:

- **Contract Administration**
- **Fraud**
- **Ethics**
- **Personnel**

**Civ - 9**  
**Mil - 0**

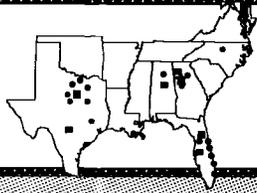


# DCMD South

## Human Resources Directorate (-H)

- **Classification and Pay Administration Functions**
- **Employee and Labor Relations**
- **Safety and Health Office**
- **Staffing Function**

**Civ - 45**  
**Mil - 0**

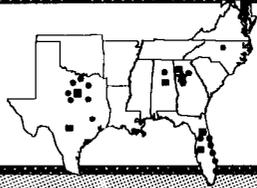


# DCMD South

## Workforce Development Directorate (-J)

- **Determines Developmental Needs of Workforce**
- **Manages Defense Acquisition Workforce Improvement Act**
- **Develops Training Courses**
- **Manages Training Budget**

**Civ - 18**  
**Mil - 0**



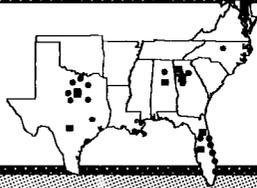
# DCMD South

## Planning & Resource Management Directorate (-M)

- **Administers Planning Process**
- **Resource/Budget Manager**
- **Administers Internal Management Control Program**
- **Liaison With DFAS**
- **Manages Reimbursable Reporting System**

**Civ -28**

**Mil - 0**



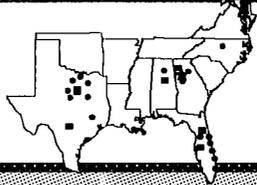
# DCMD South

## Operations Support Directorate (-O)

- **Deployment and Oversight of Contract Administration Policies, Plans, Programs and Procedures Within District South**
- **Consultative Support to CAOs and DCMC**
- **Technical Assistance to CAOs**

**Civ - 58**

**Mil - 2**



# DCMC Indicators and Initiatives

## Quality (Right Item)

- Procas
- Early CAS
- Quality Assurance
- Engineering Assurance
- Quality Initiatives

## Responsiveness (Right Time)

- DCMC Ontime Delivery
- Production Surveillance
- Property Administration

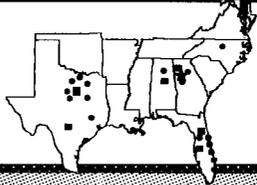
## Affordability

### Cost of Stuff (Right Price)

- Overhead Strategy
- Preaward CAS Involvement
- Cancelling Funds/Contract  
Closeout Strategy
- Core Contract Administration
- Pricing and Negotiations
- Price Related Systems

### Cost of Ops (Flight Oversight)

- Reinvention Lab
- FEDCAS
- Program Integration
- Financial Performance  
Result
- End Strength Reduction



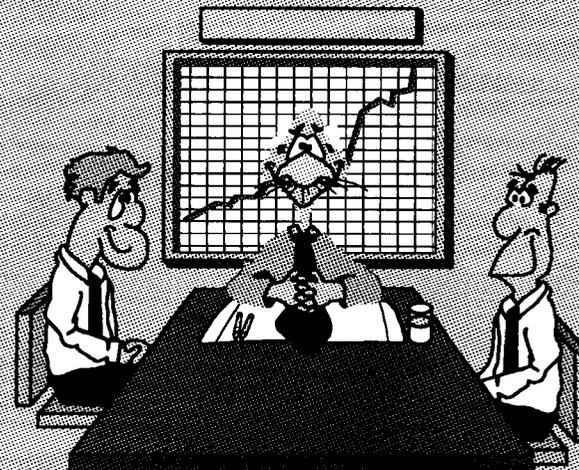
# Process Oriented Contract Administration Services (PROCAS)

Change to Survive -- Improve to Prosper  
Teamwork for Performance



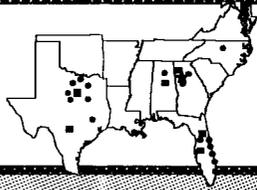
## COMPLIANCE

- ▶ Adversarial Environment
- ▶ Functionally Driven
- ▶ Regulated
- ▶ Task Oriented
- ▶ Reviews, Audits, Inspections
- ▶ Detection and Correction

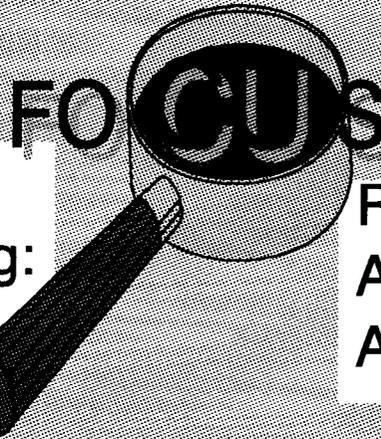


## PROCESS

- ▶ Teaming
- ▶ Customer Focused
- ▶ Empowered
- ▶ Process Oriented
- ▶ Performance Based
- ▶ Prevention and Improvement



# Customer Focus Program

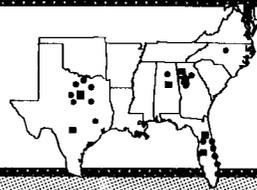


1066 Customers  
Surveyed, Including:

- Program Managers
- PCOs
- Technical Specialists
- Item Managers

Result -- Problem  
Areas Identified and  
Action Teams Initiated

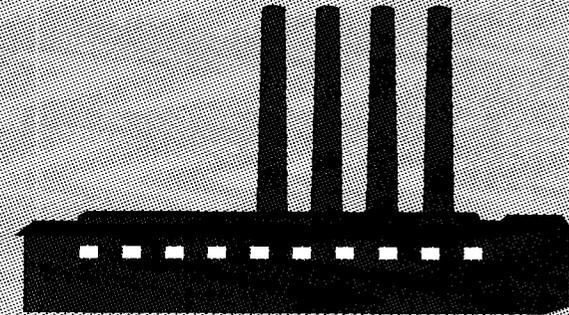
- Contract Close Out
- First Article Administration
- Contract Delivery Surveillance
- Negotiation of Delivery Extensions
- Manufacturing Process Surveillance
- Engineering Change Proposals
- Technical Support to Negotiations
- Product Quality Deficiency Report



# Environmental

## WHY THE CONCERN?

- Major clean-up costs developing
- Major OSD issue
- Customer concerns

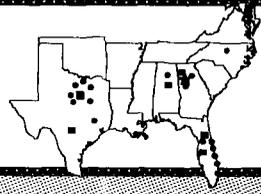


## DCMC INITIATIVES

- 5 Pilot sites to determine cost and magnitude of the problem
- Develop an appropriate oversight policy

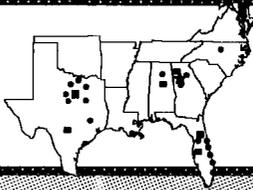
## GOALS

- Improved protection on government contracts
- Consistent cost allowance decisions
- Risk based system surveillance



# Summary

**DCMDS Headquarters Organized and Strategically Located to Support the Contract Administration Offices in Providing Effective and Efficient Contract Administration Services to Customers**



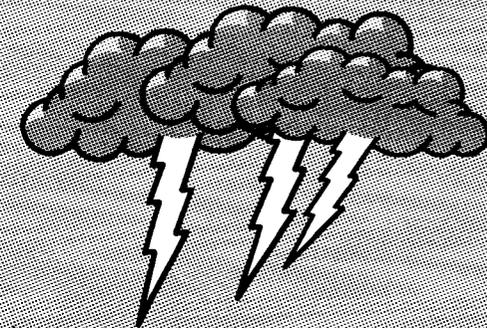
# "Early CAS" Involvement

## WHY THE CONCERN?

Need for . . .

- Better communications between buying activity and contract administration
- Better contracts
- Better predictions of contractor performance

## POTENTIAL CONTRACT PROBLEMS

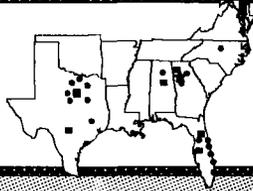


## DCMC INITIATIVE

- Partner with buying activities prior to contract award

## GOAL

- Improved contract execution



# Early CAS Involvement Examples

## REQUESTS FOR SUPPORT

**OCHAMPUS (2)**

**WAR-MED Planning System**

**Marine Corps Advanced Amphibious Assault Vehicle**

## COMMITMENTS

**DoD High Performance Computing (HPC) Modernization Program**

**HARM**

**JSOW/BLU108**

**Department of Commerce, National Data Buoy**

**OCHAMPUS Financial Analysis Service**

**Multiple Launch Rocket System**

**Longbow Fire Control Radar (Lot 1 Production)**

**OCHAMPUS Region 3 & 4 Managed Care**

**Non Developmental Airlift Alternative (NDAA)**

**C130J**

## COMPLETED

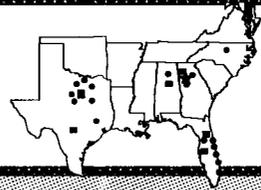
**KC-135 Programmed Depot Maintenance**

**Secure Mobile Anti-Jam Reliable Tactical Terminal (SMART-T)**

**T-44/T-34 Training Aircraft**

**JSTARS Sirborne Battlefield Surveillance/Management Radar System**

**LANTIRN**



# Business Strategy

- Offering Contract Management Expertise to All Federal Agencies

NASA

DEPT OF ENERGY

U.S. POSTAL SERVICE

DEPT OF TRANSPORTATION

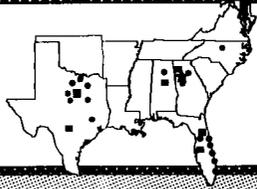
FEDERAL AVIATION ADM

DEPT OF TREASURY

STATE DEPARTMENT

GENERAL SERVICES ADM





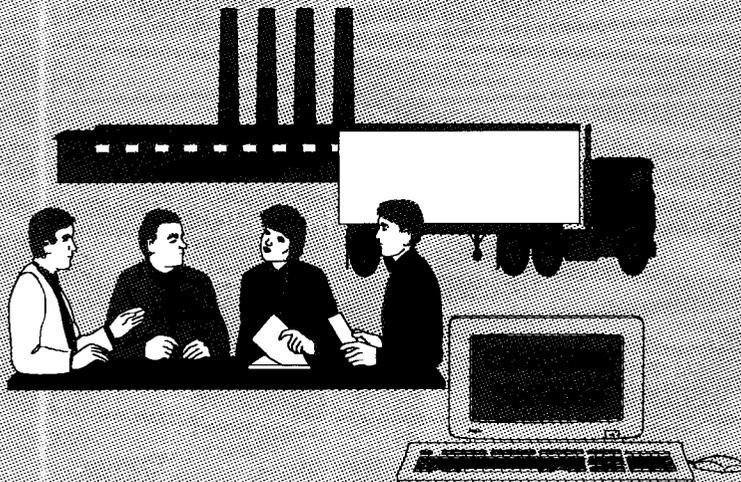
# Overhead

## WHY THE CONCERN?

- Downsizing business base
- Increasing contractor overhead rates
- Customer concern

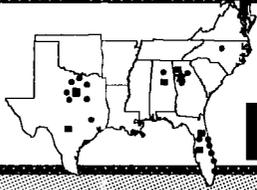
## DCMC INITIATIVE

- Develop corporate overhead strategy



## GOAL

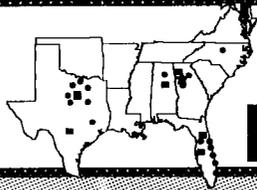
- Reasonable overhead rates
- Reduced overhead costs commensurate with reduced business base



# **DCMD South**

## **Institutionalizing Cultural Change**

- **1988 - Productivity Group**  
**Total Quality Management Steering Committee**
- **1989 - Commitment to Excellence**
- **1990 - Facilitators Trained**
- **1991 - Integrated Planning Process**  
**Vision Developed**  
**TQM for Managers**  
**TQM for Employees**
- **1992 - Milliken Visit**  
**Quality Improvement Prototype**  
**Leadership in Change**



# **DCMD South**

## **Institutionalizing Cultural Change**

- **1993 - Customer Surveys**  
**Personel Empowerment**  
**Government Performance & Results Act**  
**Performance Plan**
- **1994 - Unit Self Assessment**  
**DCMC Commanders Cup**  
**DCMC Quality Criteria Training**
- **1995 - Teambuilding**